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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

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Arms Control & Disarmament

Ukrainian, Kazakh Nuclear Arms Stance Scored

PM2011102091 Moscow ROSSIYSKAYA GAZETA in Russian 15 Nov 91 pp 1-2

[Vladimir Kuznechevskiy commentary: "You Want Nuclear Weapons? Take them. But Pay for Them Yourselves"]

[Text] If anything is worrying the West regarding events in the USSR right now, it is the fate of nuclear weapons in the former Union.

Understanding the West's concerns over its security, Gorbachev and Yeltsin promoted an initiative: first, to bring all nuclear weapons onto RSFSR [Russian Soviet Federated Socialist Republic] territory with a view to destroying superfluous stocks of these weapons; and second, to preserve strict central control over them.

It seems, however, that not everybody in those republics which have nuclear weapons on their territory fully understands the West's concern and why Gorbachev and Yeltsin adopted such a stance. Obviously, certain national leaders' excessively speedy rise to the highest republic positions, whereby the development of political muscle somewhat outstripped that of political wisdom, had an impact on this. Precociousness [akseleratsiya] is an insidious thing. In life, maybe, it prompts a smile, but in politics it prompts quite a different feeling—fear.

In the pre-putsch days the Ukrainian Supreme Soviet declared the territory of its republic a nuclear-free zone. The declaration was made at a time when the republic Supreme Soviet could never have imagined that the time would come when it could control the nuclear weapons on its territory. To all appearances, that is why it took this decision at that moment: If we cannot control these weapons, we will remove them from our territory altogether and let Moscow, not us, worry about them, but the situation changed radically. The putsch came and went, and immediately afterward—as if to pursue and blame the Moscow putschists for its own weakness during that 48 hours—the Ukrainian leadership declared the republic fully independent and no longer part of any political USSR-style alliance with Moscow. Here the question of nuclear weapons arose once again. The Ukraine decided not to transfer them to Russia. At a recent news conference in Paris, Ukrainian Supreme Soviet Chairman L. Kravchuk declared that neither strategic nor tactical nuclear weapons must remain in the Ukraine, but will not be transferred to Russia; they will be destroyed in the Ukraine. After this, the Ukrainian leadership declared on several occasions that it is taking command of the troops from all three military districts stationed on Ukrainian territory (Kiev, Odessa, and Carpathian Districts) as well as the Black Sea Fleet. The composition of these forces includes 176 nuclear missile silos containing strategic missiles; aircraft carriers belonging to the Black Sea Fleet; Akula-class attack submarines armed with tactical nuclear weapons, etc.

So why this drastic change of position? Basically it seems that the reason lies in playing for higher stakes in the matter of the republic's international prestige. The current republic leaders are dreaming: They see themselves at the head of a mighty international power recognized by the entire international community and at the very least alongside Russia. After his recent visit to Canada, the United States, and France, Kravchuk declared with naive simplicity: "The world is waiting for an independent Ukrainian state to appear on the map." In fact, this also derives from the sphere of precociousness in the political field. If it is waiting for anything at all, the international community is most probably not waiting for an independent Ukraine or Tatarstan, Lithuania or Moldova to appear on the map, but for stability on former USSR territory and reliable control over the Soviet Union's military monster to be established as quickly as possible. Some people have the urge to become leaders of a great power in the world arena without delay, but how? They have no brand name product, and no intellectual and political potential with which to enter the world market right now. So by declaring oneself master of the nuclear capability on one's own territory, recognition will then be forthcoming, and not only Gorbachev and Yeltsin will be present at talks on disarmament with the greats of this world, but also Kravchuk and Nazarbayev.

Of course, it is not a simple question. Kravchuk is not the only one to have changed his view of it on more than one occasion, Nazarbayev has done so too, shifting from a total rejection of nuclear weapons to claims to control over them and a refusal to transfer them to the RSFSR. We—the ordinary citizens—also hold mixed views of the situation. Naturally, for any Russian the initial reaction to nationalizing the Black Sea Fleet or the Baykonur Space Center is a negative one. After all, it is clear that neither the Ukraine nor Kazakhstan has the moral right to such unilateral action in the same way as neither Kiev nor Alma-Ata was empowered to set up such complexes as the Black Sea Fleet or Baykonur on their own. Of course, the Ukraine and Kazakhstan do have some claim over these things, but then so do other republics, not least Russia. Nazarbayev announced 6 October that the successor to the USSR could not be any one republic alone, thinking here about the nationalization of certain real estate in Moscow. No doubt he is right when he says that something created by all the people is everybody's heritage. In doing so, however, he forgets to point out that it is everybody's only in proportion to the size of the contribution to this common heritage. Indeed, it cannot be expected that if somebody builds a house and his partner fits the window frames then both parties' rights to the entire house are absolutely identical.

Actually, this is not the problem. Instead, it is the fact that neither Russia nor the other republics need nuclear weapons in the volume and scale in which they exist now. This extravagance is increasingly costly. When Russia opts to preserve these weapons on its land, its leadership is fully aware of what this will cost the taxpayer. The motive behind the Russian leadership's decision is simple: We do not want some kind of maniac like Saddam Husayn brandishing nuclear bombs and demanding that we fulfill certain demands, but I repeat, it is expensive to maintain nuclear weapons. It is also expensive to keep nuclear weapons in permanent combat readiness. Besides which, specialists estimate that any sovereign republic wishing to own nuclear weapons will need between 10 and 15 billion rubles just to produce a modern control system for nuclear complexes—not to mention the huge expense on servicing it. These complexes have to be serviced, otherwise they very soon become awkward nuclear junk which not only loses its function as a weapon but, in addition, becomes extremely dangerous for the environment.

Furthermore, almost the entire USSR nuclear industry is located on RSFSR territory. This means that Russia could supply its own nuclear weapons, so to speak, with raw materials, components, and spare parts, but when it comes to other republics this question warrants discussion, as this industry is by no means cheap. Everything that has been said also fully applies to the Black Sea Fleet.

Finally, the idea of destroying nuclear weapons on one's own territory, as advocated by Kravchuk and Nazarbayev, is no less expensive than maintaining this type of weapon.

To summarize all this, it is worth mentioning that when Yeltsin and Khasbulatov say that they are prepared to transfer all nuclear weapons to RSFSR territory, destroy the part they do not need here, and maintain and service the rest (after all, nobody yet intends to completely do away with nuclear weapons as such, and the United States, for example, has not even ruled out nuclear testing: this means we have to do the same), then they know what they are saying, and it is no coincidence that academician Ye. Velikhov opposes the idea of Russia's assuming control over nuclear weapons and is against transferring them to RSFSR territory. Yeltsin and Khasbulatov are doing this in the full understanding that from an economic viewpoint Russia is losing, not gaining, and if the Ukraine and Kazakhstan do not fully understand this, then I suggest that there is no point in trying to explain the benefits to them. Why not let them have the nuclear weapons, and as the question of the Black Sea Fleet is bound to come up, leave it to the Ukraine (if, of course, the fleet itself agrees). Let them manage their own weapons and destroy them, but let them pay for it themselves. Perhaps then the taxpayers in these republic will understand what the rubles (or future hryvny) deducted from their wage packets are being spent on. It remains only to declare unequivocally that, given Kravchuk and Nazarbayev's current position on nuclear weapons, Russia should not spend a single ruble of its taxpayers' money on maintaining nuclear weapons on Ukrainian or Kazakh territory, nor in the matter of their destruction, and in this situation the Russian taxpayer should be told exactly how much Russia will gain by consenting thus to Ukrainian and Kazakh policy, and what this sum will be used for in our own internal development—that is, how this will affect the lives of each of us, or at least some of our inhabitants.

Soviet Change in Voting on Arms Issues Noted

LD2011001491 Moscow TASS International Service in Russian 0310 GMT 19 Nov 91

[By TASS correspondent Yevgeniy Menkes]

[Text] United Nations, 19 Nov (TASS)—The USSR has changed the position to which it has adhered for many years on several so- called "traditional" disarmament resolutions during the examination of disarmament problems that was concluded here by the First Committee (political issues and issues of security, including disarmament) of the 46th session of the UN General Assembly.

The Soviet delegation abstained during the vote on a resolution on freezing nuclear weapons. In past years the USSR invariably voted for this resolution. In his address, the Soviet representative noted that in light of present-day realities, the issue of a freeze on nuclear weapons is no longer topical.

The same sort of change in the approach of the USSR was seen in voting on resolutions on Israel's nuclear weapons and on the nuclear potential of South Africa. Here, too, the "need to take account of new realities" was the springboard.

As regards the resolution on creating a nuclear free zone in southern Asia, the USSR, which had previously always abstained, this time voted "for". This attracted particular attention here, since a similar document has traditionally been proposed at all sessions since 1974 by Pakistan "to spite" its powerful neighbor, India. For its part, New Delhi has always voted against and considered in so doing that the neutrality of Moscow was guaranteed. At the same time, diplomats here recall that the Soviet Union has usually supported the creation of nuclear free zones in certain regions. Southern Asia was formerly the only exception. This time the exception was not made.

In terms of the results of voting, the Soviet Union is more and more often outside the large group of states dominated by representatives of the "Third World," which ensures that certain resolutions are given the "green light." This was the case, for example, with resolutions on a freeze and on the nuclear potential of South Africa and Israel. At the same time, during consideration of the question of the nuclear potential of Israel, only 65 delegations voted "for," while 64 abstained, three were against, and 32 did not take part.

Worldwide Issues

G-7 Meetings Continue Focus on Debt Repayment

Republics' Stand Noted

PM2011111591 Moscow IZVESTIYA in Russian
19 Nov 91 Union Edition p 1

[Report by M. Berger: "The 'G-7' and Our Foreign Debt: Situation Still Unclear"]

[Text] The fragile preliminary accord reached at the end of last month as a result of talks between representatives of the former Union republics and "G-7" finance ministers could crumble under the pressure of new circumstances. At least the situation on the eve of the second round of talks between the sovereign republics' government heads and heads of the "G-7's" financial departments, which opened 18 November, is more uncertain than it was three weeks ago.

As is well known, the first meeting, on the problem of servicing the Soviet foreign debt, resulted in a memorandum "On Mutual Understanding Concerning the Debt to Foreign Creditors of the USSR and Its Successors in Law." One of the main provisions in the memorandum was recognition of the debts and the readiness on the part of the republics enshrined in it to jointly and separately service the debt, and the final adoption of the memorandum's provision would mean that our side would pay the debt irrespective of the creditworthiness of a particular republic.

In principle the provision was entirely to the creditors' liking.

Originally it was planned that the second meeting would be held on 9 November in Kiev because there was still the question of a specific transaction mechanism and the adoption of the final document (or documents) on the foreign debt problem, but it did not take place. It was postponed until a later date in Moscow, which was not so bad after all, but in the meantime there has been a change of government in Russia and statements have started appearing which indicate that not all the participants in the first conference are still prepared to take collective responsibility for the foreign debt.

No official statements have been published to that effect, but Russian Vice Premier Yegor Gaydar did mention in parliament the position of the Ukraine, which does not accept joint and separate responsibility for the debt. In this connection, Gaydar said, Russia relinquishes responsibility for all credit commitments made without its knowledge since 15 November. If this position remains unchanged, an entirely new situation emerges with regard to the financial aid that is expected from the "G-7." Those opposed to granting it in the actual "G-7" could take advantage of this.

According to certain unofficial data, the heads of the republics' foreign economic departments, who met in Moscow last week, failed to find mutual understanding on this question with the Interstate Economic Committee leadership. They also questioned the accords that had been reached during the previous meeting. There was a moment when there was even a danger the meeting would be postponed.

That was the difficult prelude to the talks beginning 18 November. They will be held in markedly altered conditions and will probably furnish different results. But what?

Gorbachev Meets Representatives

LD2011160191 Moscow TASS International Service in Russian 1331 GMT 20 Nov 91

[Text] Moscow, 20 Nov (TASS)—It has been officially reported that Mikhail Gorbachev received representatives of the "Big Seven" most economically powerful states this morning. N. Wicks (Great Britain), D. Mulford (U.S.), H. Keller (FRG), J-C. Trichet (France), M. Draghi (Italy), T. Tchino (Japan), and D. Dodge (Canada) reported on current talks in Moscow with Ivan Silayev and representatives of the republics on providing aid in carrying out reforms and overcoming the crisis.

A common opinion was expressed: Not a day must be lost and decisive and coordinated actions are needed. Assistance can be effective if there is firm accord at a political level on credit pledges and on the machinery for putting the support which is being provided into effect.

Mikhail Gorbachev thanked them for understanding the problems and for their readiness to assist in solving them most rapidly. He described the energetic work by representatives of the "Seven" as a reflection of the general understanding in their countries and in the EC of the profound interconnection between our reform and the interests of the international community which needs the Union to be preserved in a reformed, democratic, and influential state. He placed particular emphasis on the importance at present of concrete measures to ensure food supplies. Some of them were mentioned at the meeting. For example, D. Dodge said that ships carrying Canadian grain already are on the way.

The president asked them to convey to the leaders of the represented countries his firm intention to try to secure very soon the ratification of the economic treaty and the signing of a treaty on a new Union, a confederative democratic state. Otherwise not one of the new sovereign states will be able to embark on normal development. The growing aspiration of the population and of politicians to halt disintegration allows one to hope that this will be done and that we will have sufficient resolve to move forward jointly and consistently, while at the same time taking care to reduce the intensity of the most painful parts of the reform process.

Mikhail Gorbachev wished them success in completing their joint work with representatives of the republics on the "package" of proposals from the "Seven."

Economist on Republic Responsibility

LD2011201591 Moscow Central Television Vostok Program and Orbita Networks in Russian 1630 GMT 20 Nov 91

[Report over video by correspondent V. Beletskiy on Gorbachev receiving G-7 delegates, including recorded remarks by economist Grigoriy Yavlinskiy; from the "TV Inform" newscast]

[Text] Today, on the third and final day of the visit to Moscow by representatives of the seven leading industrially developed countries, the representatives were received in the Kremlin by USSR President Gorbachev. [Video shows meeting of about 15 men around a long green table; Gorbachev, his usual English-language interpreter, and Yavlinskiy are present]

[Beletskiy] The meeting was held in very difficult circumstances owing to the refusal on the previous day by the Ukraine, Azerbaijan, and Uzbekistan to append their signatures to the October memorandum on shared responsibility for external debts. Without that, doubt has been cast on the possible rescheduling of the debts and the granting of fresh credit so necessary to us now. Gorbachev expressed the conviction that the concluded agreement on an economic community and, in the long term, a political treaty between the republics, constitutes the way to overcome the crisis.

[Yavlinskiy] If nine republics assume shared responsibility for repaying the debts, then from the credotir's point of view, the question is already a clear one: he will get the money from nine republics. The regime for those who do not sign with regard to shared responsibility will be similar to the one that is applied to everyone in the world who is simply not a payer and does not honor his commitments. The Seven, as far as I understand it, are making use of the debt business to reinforce and initiate our reforms and to direct them into quite a safe and effective channel.

Western Creditors Document Amended

OW2011184291 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] At the current meeting in Moscow with the spokesmen of the "Seven" leading industrial nations the Union republics' heads suggested six amendments to the document presented by the West on the problem of settling the USSR foreign debt. Journalists have been told so by the chairman of the Kyrghyz National Bank Saghinaliy Sulaimanbekov.

The amendments boil down to the following:

—the republics are against the proposal by the "Seven" that the USSR gold reserve or its part should be pawned for credits, they can accept that only in an extreme situation;

—the republics offer instead of gold some strategic goods, such as oil and gas;

—they are for limiting the number of questions to be agreed with the International Monetary Fund ("admit the Fund's experts only in accordance with international standards and with the republics' consent");

—the republics suggest the "Seven" should leave the document (memorandum on understanding) open for other republics to join;

Wednesday [20 November] is a third day of talks between the republics and Western creditors.

The meeting is attended by delegations of eight sovereign republics and representatives of the Baltic states. Absent are the Ukraine, Azerbaijan, Uzbekistan and Georgia—refraining for various reasons from signing a memorandum on understanding concerning the payment of the external debt. Earlier those republics' spokesmen were asked to leave the meeting, as suggested by the head of the RSFSR delegation Yegor Gaydar.

The chairman of the Inter-Republican Economic Committee Ivan Silayev announced at the morning session of the Republics' Heads' Council on Wednesday that yesterday eight republics agreed for experts to prepare in a week a mechanism to define the republics' shares of the debt as of Jan 1, 1992. Three days after the document is ready the republics' heads will meet again to confirm it.

Pawning Gold Discussed

OW2011220291 Moscow INTERFAX in English 2006 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The main issue discussed at Wednesday's [20 November] meeting between the heads of 8 sovereign republics and deputy finance ministers of the seven leading industrial countries is pawning 104 tonnes of the USSR gold reserve for a Western credit of $1bn [billion] to meet the imminent servicing of its foreign debts. This has been revealed in an interview with INTERFAX by the permanent representative of Belarus [Belorussia] Victor Danilenko attending the talks who added that a $500 mn [million] credit arrived from South Korea in the small hours Wednesday "permitting the VNESHECONOMBANK to last a week or two". (The bank carries out payments on the USSR foreign debt).

According to V. Danilenko the "Seven" offers rescheduling $3.6 bn of the foreign debt.

On Tuesday [19 November] a member of the Italian delegation named the sum of $5-7 bn. Denilenko points out that whereas formerly the Soviet Union was lent at 6-8% annual interest, now the rate is up to 10-12%. He says today a document will be issued on the results of the meeting signed by all the participants.

The document is seen as a follow-up of the memorandum of understanding concerning the USSR foreign debt.

V. Danilenko informs us that the Chairman of the Inter-Republican Economic Committee Ivan Silayev and his deputy Igor Gavrilov continue consultations with the "Seven."

Commentary Views Talks

LD2111040991 Moscow Radio Moscow World Service in English 1310 GMT 19 Nov 91

[Unattributed commentary]

[Excerpts] Representatives of the financial departments of the seven leading Western industrialized countries have come to Moscow for the second time. They are mostly concerned with who will pay off the Soviet debts to their G-7 countries and how. [passage omitted]

The West is also concerned by the press reports about the insolvency of Vneshekonombank, which, according to the mutual agreement, must pay off the Soviet debt. The situation becomes even worse because not all the participants in the first meeting preserve their readiness to bear a collective responsibility for the country's external debt. So far there have been no official statements on this score, but according to the speech in the Russian parliament of the republic's vice premier, Yegor Gaydar, the Ukraine has changed its point of view and hence the Russian Republic relieves itself of the responsibility for all credit obligations signed after 15th November. If the position is upheld, a very difficult situation may develop with the expected (?G-7) financial aid. [passage omitted]

This suggests a sad conclusion that the current meeting between the finance experts of the G-7 countries and the representatives of the foreign states is going on in a more indefinite atmosphere than the similar meeting three weeks ago, but still there is a great hope for the successful solution of the problem related to the external debts of the Soviet Union. This hope comes from the recent understanding by some republics on the creation of the union of sovereign states on the territory of the former Soviet Union. The new union will be a real subject of the international law and hence the legitimate successor of the external debt of the Soviet Union.

Besides, Western creditors of the Soviet Union also rely in many respects on the decisions recently adopted by the president of Russia, Boris Yeltsin, on establishing control over the gold, diamonds, and precious stones deposits on the Russian territory. This step can offer us hope that the prices for them at the world markets will increase considerably and this will be beneficial for the Soviet Union, which, becoming later a large exporter of precious metals and stones, will be the gainer. This will help Moscow pay off its external debt and thus open an access to getting new loans.

Commentary Notes Loans

LD2011134891

[Editorial Report] Moscow All-Union Radio First Program Radio-1 Network in Russian at 1000 GMT on 20 November during its "Novaya Volna" ("New Wave") program, broadcast a commentary by Vladimir Razin, "Novaya Volna" economics affairs commentator, who reviews the situation regarding the Soviet republics' debts.

In the commentary Razin says: "The G-7 are ready to set out their plan for aid to the USSR but want to know how the former debts will be paid—and the sum of these amounts to no more or less than some $80 billion. A legitimate wish, is it not? Of course it is. It is only we who could thoughtlessly hand out loans to former friends and dubious African and transoceanic regimes without demanding them back, and incidentally, these regimes owe us some $150 billion." The announcer then notes that this is a tidy sum and that we could use it just now.

Grachev on U.S. Meeting, Honecker Extradition

OW1911215691 Moscow INTERFAX in English 1748 GMT 19 Nov 91

[Transmitted via KYODO]

[Text] The Soviet president's press spokesman, Andrey Grachev, said at a briefing on Tuesday [19 November] that at the Soviet-American group meeting in Washington from November 20-21 on strategic planning, would include an unofficial discussion on the geopolitical situation, and also talk on the character of "the forecast threats to world stability" and prevention of conflicts.

The Soviets are sending to Washington a member of the Soviet President's political advisory council, Aleksandr Yakovlev, Soviet Deputy Foreign Minister Vladimir Petrovskiy, and Yevgeniy Primakov, Yuriy Ryzhov and Sergey Stankevich.

In response to a question on Erich Honecker's status in the USSR, Grachev expressed the opinion of the German Justice Minister Kinkel, that "the Honecker issue is not central to Soviet-German relations." Grachev stated that he had no information on whether or not Honecker had asked the Soviet president to give him political asylum.

Churkin on Shevardnadze, Weapons Destruction

LD2011174591 Moscow TASS International Service in Russian 1521 GMT 20 Nov 91

[By TASS diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow, 20 Nov (TASS)—Today's briefing at the USSR Foreign Ministry was almost entirely about the appointment of Eduard Shevardnadze to the post of minister of external relations. Vitaliy Churkin, head of the Information Department, started the briefing by talking about a session of the Foreign Ministry Collegium.

Presenting the new minister, he reported, the president of the USSR explained that he, the State Council, and the republics adopted a joint decision to give the Ministry of Foreign Affairs new functions—the Ministry of External Relations will deal not just with foreign policy but also with issues of foreign economic activity.

The ministry, said the president, is faced at today's complex stage with the tasks of supporting the stabilizing role of the Soviet Union in the international arena. Mikhail Gorbachev expressed the hope that the inevitable period of the ministry's reorganization will proceed as painlessly as possible.

The Foreign Ministry spokesman added that Eduard Shevardnadze expressed gratitude to the USSR president at the Collegium session for the "great trust" put in him at this complex period of the life of our country. He noted that there are difficulties and complications to come, but expressed hopes for the president's help and for mutual understanding with all the sovereign states and their foreign ministries. In essence, new relationships are being forged in our state and I am ready to do all I can in order to help the country get through this difficult moment in our history.

Journalists were also interested in a statement by Vitaliy Churkin in connection with reports that have appeared to the effect that a private company recently set up in the Soviet Union is offering foreign partners services in eliminating weapons of mass destruction, in particular chemical weapons, by the method of underground nuclear explosion.

Such operations, he explained, cannot be carried out without the permission of the competent state organs. According to the information we possess, the corresponding question has not been examined by these organs, and they have not given permission for conducting a nuclear explosion on the territory of the country. Apart from that, Vitaliy Churkin stressed, the USSR adheres to a year-long moratorium on nuclear explosions introduced by the president. We know that the country's scientific research establishments are conducting theoretical research regarding the most effective and ecologically reliable methods of eliminating weapons of mass destruction, including by means of nuclear explosions, he concluded.

International Economic Forum Opens in Moscow

OW1911221091 Moscow INTERFAX in English 1748 GMT 19 Nov 91

[Transmitted via KYODO]

[Text] Countries in the European Community will follow a joint plan to aid Eastern Europe, including the states which make up the Soviet Union. The EC [European Community] will form one policy with regard to aid. The Vice President of Fiat, Umberto Aneli, explained this policy at the opening on Tuesday [19 November] of the international forum "World Experience and the Soviet Economy."

The forum, which is made up of various international non-governmental organizations and the Soviet Scientific-Industrial Union, gathered scientists and businessmen from 27 countries. The forum is conducting seminars, conferences and exhibits in Moscow and other cities in Russia.

One of the forum's participants, president of the German committee on trade "East-West" Otto Wolf von Amerongen [as received], told a journalist that the Marshall Plan in the form it took after World War II would be wrong for the sovereign republics of the former Soviet Union. In his opinion, in order to involve more western firms in the economies of the republics it is necessary to have a secure financial system and some sort of guarantee on taxation.

Official on Attracting Capital

OW2011005591 Moscow INTERFAX in English 2030 GMT 19 Nov 91

[Transmitted via KYODO]

[Text] Vice-Chairman of the Inter-Republican Economic Committee, Arkadiy Volskiy, believes that the current practice of attracting foreign loans to the Soviet Union is extremely inefficient. He set his opinion forth on Tuesday [19 November] at the opening of the international forum "World Experience and Soviet Economy". Mr. Volskiy, who is also president of the Scientific and Industrial Union, said that the USSR's foreign debt amounted to 77 billion dollars and that the repayment of the interests absorbed up to 40 per cent of the state's annual hard-currency revenues.

Mr. Volskiy said that foreign investment and know-how could be attracted by setting up 100-per-cent foreign enterprises. Already, 69 certificates for setting up such enterprises have been issued. The first one has been given to the IBM for starting an enterprise manufacturing computers.

Mr. Volskiy said that it would take the republican parliaments several months to ratify the new economic-community treaty. Meanwhile, the economic situation in the USSR continues to deteriorate. According to forecasts, by the end of 1991, the country's total budget deficit (the budget deficit of the republics included) will increase to 300 billion rubles.

Arkady Volskiy warned that if the economic system fell apart completely, by January 1992 the country would face an all-out economic crisis. From January to November 1991, the rate of economic recession stood at 15 per cent.

Agreement Signed on Thermonuclear Reactor

LD1511031191 Moscow TASS in English 1706 GMT 14 Nov 91

[By TASS correspondent Lyubov Dunayeva]

[Text] Moscow November 14 TASS—An agreement on designing an international thermonuclear reactor was initialled in Moscow today.

The point at issue is the establishment of a transnational corporation with the participation of scientists from Europe, the Soviet Union, the United States and Japan who will work on its design for the next six years.

The construction of the reactor will tentatively take another seven years.

Successful testing of the reactor will pave the way for conducting an international experiment involving thermonuclear fusion.

Use of thermonuclear fusion will lead to developing an ecologically pure and safe source of energy.

United States & Canada

Further on Yakovlev's Meeting With Bush

LD2011164191 Moscow TASS International Service in Russian 2335 GMT 19 Nov 91

[By TASS correspondent Aleksey Berezhkov]

[Text] Washington, 20 Nov (TASS)—U.S. President George Bush received Aleksandr Yakovlev, member of the Political and Consultative Council of the USSR president, who is here on a visit, in the White House on Tuesday, 19 November. Issues were discussed relating to the situation in the Soviet Union, relations between the republics and the center, and economic cooperation between the USSR and the United States.

After the talks, which were also attended by Brent Scowcroft, presidential aide for national security; James Baker, secretary of state; and John Sununu, head of the White House staff, A. Yakovlev reported to journalists that he had conveyed a message from USSR President Gorbachev to President G. Bush. In this letter, according to him, the Soviet leader "informed the President about the events in the Soviet Union, the latest sessions of the State Council, his decisions, on those measures that are being undertaken to overcome the difficulties being experienced by the country."

President G. Bush, said A. Yakovlev, is well informed about the situation in the Soviet Union. "He shares our concern about many phenomena, in particular about what is happening in the sphere of ethnic relations," A. Yakovlev stressed. "At the same time, the President expressed satisfaction with the fact that an economic agreement has been signed and that a Union treaty has been approved on setting up a confederation of democratic states." "My impression is that just as before, President Bush is prepared for cooperation, for economic cooperation," stressed A. Yakovlev. He noted that in the conversation with the head of the U.S. Administration questions relating to the rendering of humanitarian aid were not discussed. "As far as I know, the President is informed about the fact that the United States is promoting what is, in my view, a sufficiently extensive movement in support of rendering humanitarian aid. But, since this is a matter for the public for all that, I think that the heads our states would be acting tactfully in leaving this to the discretion of public organizations.

"During the meetings with representatives of many funds and nongovernmental organizations I formed the impression that the idea of humanitarian aid, especially in the sphere of medicine and deliveries of medicaments, is acquiring sufficiently extensive significance in the United States."

Yakovlev confirmed that a package of American food aid that is being drawn up was discussed at the White House, but in answer to the question of when the Administration will announce that it had been granted, the member of the Political Consultative Council of the USSR president replied: "I know when that will happen, but you better ask President Bush about it." On Tuesday morning the President's press secretary Marlin Fitzwater told journalists that a final decision on additional food aid to the USSR would be taken in two to three weeks time. However, later on at the briefing in the White House he corrected what he had said and reported that it is possibly a question of a few days.

Yakovlev reported that during the conversation the question of the appointment of Eduard Shevardnadze as USSR minister of external relations by decree of the USSR president was touched on. "This is a political decision," he said. "Shevardnadze was a good minister, he took a democratic stand, and he deserved that a special attitude should be taken toward him."

Before the start of the conversation with A. Yakovlev, President Bush welcomed the decision on Shevardnadze's appointment. "We know him well and have profound respect for him...Shevardnadze has many friends in this country...We will work in close contact with him," the President said. Yakovlev is in the United States for consultations on issues of strategic stability. He is head of the Soviet delegation that will take part in the first Soviet-U.S. meeting on this problem in Washington on 20-21 November.

Delegation Arrives in U.S. for Strategic Talks

LD2011185991 Moscow TASS International Service in Russian 2342 GMT 19 Nov 91

[By TASS correspondents Aleksey Berezhkov, Aleksandr Korolev, and Stanislav Lunev]

[Excerpt] Washington, 20 Nov (TASS)—The first Soviet- American meeting of the strategic stability group opens here today. A delegation of Soviet experts arrived in the U.S. capital to take part in the talks. The delegation is led by Aleksandr Yakovlev, member of the Political Consultative Council attached to the USSR president. The current work is headed by Vladimir Petrovskiy, first deputy minister of foreign affairs of the USSR. Also in the group are Yuriy Ryzhkov, member of the Political Consultative Council attached to the USSR president; Yevgeniy Primakov, director of the Central Intelligence Service; Sergey Stankevich, state councillor of the Russian Soviet Federated Socialist Republic; and representatives of foreign policy, military departments, and scientific circles. [passage omitted]

Commentary Views Meeting

LD2011191491 Moscow Radio Moscow World Service in English 1310 GMT 20 Nov 91

[Commentary by Yuriy Solton]

[Text] A Soviet-American two-day meeting on strategic stability has opened in Washington. Commentary is by Yuriy Solton:

The meeting is unofficial and no documents are expected to be agreed upon. But its importance is great since this is an attempt by Washington and Moscow to set up a standing machinery for consultations on strategic stability. The aim is to forecast possible conflicts or crises and to develop recommendations to prevent them. That's what is positively new in Soviet-American relations.

When the Soviet Union and the United States replaced the policy of confrontation with partnership they started to fruitfully cooperate in disarmament and solving regional conflicts. (?Thus) they resolutely came out against the Iraqi aggression in Kuwait and recently they cochaired at the Madrid conference on the Middle East.

Now the two countries plan to put such cooperation on a regular basis. This naturally presupposes exchanges of information and even of that which earlier was considered top secret.

The composition of the Moscow delegation shows that Moscow is prepared to comprehensively discuss all acute issues. The head of the delegation is the member of the Soviet president's political consultative council, Aleksandr Yakovlev. Among the delegates are the director of the Central Intelligence Service Yevgeniy Primakov, the Russian state adviser Sergey Stankevich, representatives of the military, Foreign Ministry's officials and scientists.

Some of our listeners have doubts whether the Soviet Union forming into individual republics can remain a superpower and indeed the United States' equal on the international scene. Such apprehensions appear to be exaggerated.

Aleksandr Yakovlev has handed over to President Bush the Soviet president's message on the recent developments in the Soviet Union. President Bush expressed satisfaction that in Moscow most of the republics have signed the economic agreement and approved the Union treaty on forming a confederation of democratic states.

As for the nuclear weapons, Aleksandr Yakovlev told in an interview to the American CNN television company that the State Council, involving leaders of all the republics, had decided to place it [as heard] under the central authorities' control.

Uranium Exporters Accused of Artificial Prices

PM2011145191 Moscow Central Television First Program Network in Russian 2110 GMT 16 Nov 91

[From the "Television News Service" newscast]

[Text] [Announcer] Soviet nuclear enterprises are once again at the focus of attention in the United States. Leaders of 15 U.S. uranium manufacturing plants have accused the Soviet Union of selling uranium in U.S. markets at deliberately undercut prices. They state in their petition to the Department of Trade that this type of action by Soviet exporters trying to gain a foothold in the U.S. market undermines the interests of U.S. uranium producers.

The problem lies in the fact that importing uranium into the United States is not illegal. The opponents of this will have to prove that the Soviet Union was artificially undercutting prices.

U.S. Congress Approves Trade Agreement

LD2111140891 Moscow TASS in English 1215 GMT 21 Nov 91

[By TASS correspondent Igor Barsukov]

[Text] Washington November 21 TASS—The House of Representatives of the U.S. Congress has approved a new Soviet- American trade agreement and affirmed the Soviet Union's most favoured nation trading status by 350 votes to 78 votes yesterday. The agreement was signed during the summit meeting in Washington on June 1, 1990 and provides for the normalisation of economic relations between the two countries.

With the agreement coming into force, tariffs on Soviet goods imported by the United States will be lowered to the minimum level—5 per cent on the average.

Conflicts Remain After Baker's Visit to PRC

PM2011132391 Moscow PRAVDA in Russian 19 Nov 91 p 4

[PRAVDA correspondent B. Barakhta report: "Still at the Crossroads. How J. Baker's Visit to the PRC Ended"]

[Text] Beijing, 18 Nov—U.S. Secretary of State J. Baker's three-day official visit to the PRC has ended. It was full of extremely intensive talks lasting 18 hours in total. In Beijing, Washington's emissary met with Jiang Zemin, CPC Central Committee general secretary; Yang Shangkun, president of the republic; State Council Premier Li Peng; and Foreign Minister Qian Qichen.

The extremely terse official reports announce that the talks took place in a calm, constructive atmosphere. However, although both sides have described the results on the whole as successful, nevertheless it has been admitted that there are still disagreements on a number of questions.

Baker's news conference in Beijing's Shangri-La Hotel, his stony face when answering journalists' questions, and the absence of a Sino-U.S. communique or statement on the results of the visit are also by no means evidence of any considerable progress in normalizing Sino-U.S. relations. In that connection the statement issued by Baker and his Chinese counterpart to the effect that, despite the difficulties, important results were achieved in the course of the talks does not seem very convincing.

Three major issues were discussed during the talks: trade and economic cooperation between the two states, control over arms proliferation, particularly nuclear arms, and human rights in the PRC. However, a RENMIN RIBAO report on the CPC Central Committee general secretary's meeting with Baker indicates that other international problems were also broached.

Qian Qichen drew his U.S. guest's attention to the abnormality of the current relations between the two states, something that is not in the interests of either China or the United States, or the entire international community.

In the present situation China is clearly afraid of Western pressure aimed at making the PRC abandon the socialist option. It is no coincidence that Qian Qichen stressed during his conversation with Baker that Chinese socialism has literally been achieved through the sufferings of the Chinese people. This path of development has proven its viability in practice and China regards its future with confidence today. In today's diverse world the same model of socioeconomic development cannot be imposed on all states and it is even dangerous to do so.

Some progress was made in the sphere of trade and economic relations. The Chinese side made concessions on the question of the illegal use of well-known firms' trademark labels and the breach of ceilings for textile shipments across the ocean. The upshot was that a Sino-U.S. trade agreement was signed. In the next few days a corresponding representative delegation will fly to Washington.

However the U.S. side stuck to a tough line on such questions as China's inclusion on the list of states needing preferential investment and lifting the restrictions on the export of high-tech equipment to the republic. Beijing rightly objected to that stance.

Agreement has been reached on the PRC's signing the Nuclear Nonproliferation Treaty. This event will officially take place no later than next March. What is more, the sides concluded that consultations are necessary in the event of the sale of missiles and other kinds of modern arms to third countries.

Everything indicates that there was not the slightest improvement when discussing the question of human rights in China. "The sides exchanged their views of this problem," that was all that the official reports on the talks said about this matter. Beijing is still hewing to its tough positions on this question for perfectly understandable reasons.

China

Normalization of Sino-Vietnamese Ties Hailed

OW1111142291 Moscow Radio Moscow in Mandarin 1400 GMT 10 Nov 91

[Commentary by Kongratyev; from the "Weekly Review" program]

[Text] The road leading to the complete normalization of Vietnamese-Sino relations has not been smooth. The 12 years of mutual hostility and confrontation, including the border armed conflict in 1979, have passed. It is not strange that the preparatory work for the Beijing summit took nearly three years to complete. It is a good thing that the leaders of the two countries, after abandoning their outdated viewpoints and disputes, held talks and finally restored the mechanisms for their states' relationship.

It seems that it is particularly necessary to discuss the situation leading to the normalization of Sino-Vietnamese relations. It is quite obvious that, besides the sincerity of both the Chinese and Vietnamese sides, the Cambodian conflict is the decisive factor, because the Cambodian issue is one of the principal differences between China and Vietnam.

Trading between the peoples of the two countries and exchanging the fruits of labor between them instead of war—this constitutes a natural desire. This will certainly play a role in improving the political situation in Asia, the Pacific region, and in the world. But, I want to mention a point—that is, relations between China and Vietnam are determined to a large extent by political considerations. It is no secret that China once supported the Khmer Rouge of Kampuchea, and Vietnam sent troops to stop the bloody experiment of the Pol Pot elements in speeding up the creation of a so-called (new) society.

It seems that both China and Vietnam have abandoned their outmoded ideological dogma, which no longer plays a role in determining bilateral relations.

Northeast Asia

Consular Accords With ROK Signed in Seoul

LD2011185591 Moscow TASS in English 0646 GMT 20 Nov 91

[By TASS correspondent Aleksandr Kopnov]

[Text] Tokyo November 20 TASS—A consular agreement between the Soviet Union and the Republic of Korea was signed in Seoul today. The agreement envisages reciprocal opening of consular institutions in the two countries from 1992.

The agreement upholds the rights and stipulates a number of privileges for the citizens of the two countries during their visits to the Soviet Union or South Korea respectively.

The country's first consulates on Soviet territory will be apparently set up in Alma-Ata and Vladivostok, the South Korean Foreign Ministry reported.

By its scope and character, this agreement, which consists of 54 articles, is the second major accord in South Korea's foreign policy, the YONHAP news agency notes. A similar document was signed only with the United States in 1963.

Yet another agreement, to simplify procedure and cut time for the obtaining of entry visas, is expected to be concluded between the Soviet Union and the Republic of Korea soon.

Commentator on Possible ROK Nuclear-Free Zone

SK2111050491 Moscow Radio Moscow in Korean 1100 GMT 19 Nov 91

[By station commentator Alekseyev from the "Focus on Asia" program]

[Text] On 20 November U.S. Secretary of Defense Cheney will meet with ROK Defense Minister Yi Chong-ku in Seoul to discuss security.

Station commentator Alekseyev writes:

According to SEOUL SINMUN and CHOSON ILBO, the immediate agenda has been finalized.

Seoul is expected to raise the question of arming the (?army units numbering 39,000) with ultramodern U.S. war equipment, like Patriot antimissile missiles and Tomahawk missiles.

As has been reported by CHOSON ILBO, the ROK will also try to get (?approval) from Washington on its plan to establish [word indistinct] for its own missile system with a range of 180 km. The upcoming U.S.-ROK negotiation, however, is not expected to come out this way.

The question stems from the fact that U.S. and ROK defense ministers are expected to discuss the procedures of withdrawing U.S. nuclear weapons from the ROK. In addition, Seoul believes that the nuclear weapons will be removed as soon as possible, according to the ROK defense minister.

Judging from all the facts, the ROK will be turned into a nuclear-free zone in the near future. Thus, important measures will be taken to achieve Pyongyang's longstanding plan for denuclearizing the Korean peninsula. However, this will take more than a guarantee from Seoul.

The international community expresses sincere concern about Pyongyang's refusal to open its nuclear facilities to international inspection. The Nuclear Nonproliferation Treaty Pyongyang has signed requires that the signatory place its nuclear facilities under international inspection.

An exaggerated rumor that North Korea is developing nuclear weapons is being spread. Once U.S. nuclear weapons begin to be removed from the ROK, Pyongyang will be in a strong position, because U.S. nuclear weapons deployed in the ROK have given Pyongyang an excuse to refuse any international inspections of its nuclear facilities.

Southeast Asia & Pacific

Further on Australian Foreign Minister's Visit

Meets With Rogachev

LD2111091891 Moscow TASS International Service in Russian 1000 GMT 20 Nov 91

[By TASS diplomatic correspondents Vasiliy Titov and Georgiy Shmelev]

[Text] Moscow, 20 Nov (TASS)—Talks began here on 20 November between Deputy USSR Minister for External Relations Igor Rogachev and Australian Minister for Foreign Affairs Gareth John Evans, who is on an official visit to the Soviet Union.

Apart from discussing the development of bilateral relations, the sides also exchanged views on topical international and regional problems, primarily concerning the situation taking shape in the Asia-Pacific region.

Before the talks began, Gareth Evans emphasized in an interview with a TASS correspondent that the Australian side has an interest in establishing cooperation with the republics and with the center in areas such as development of mineral deposits and production of fuels, fisheries, agriculture, and telecommunications. To this end, he said, the delegation visited a number of cities in Russia as well as Alma-Ata and Tashkent, apart from the talks in Moscow.

One of the aims of the tour, Gareth Evans noted, was to elucidate "who controls what in the Soviet Union in today's conditions."

Recieved by General Lobov

LD2111092391 Moscow TASS in English 1804 GMT 20 Nov 91

[Text] Moscow November 20 TASS—Head of the Soviet Armed Forces' General Headquarters, Army General Vladimir Lobov today received Australian Minister for Foreign Affairs and Trade Gareth Evans, currently in the Soviet Union on an official visit, to discuss issues of mutual interest.

Shevardnadze, Evans Discuss 'Problems'

LD2111120491 Moscow TASS in English 1135 GMT 21 Nov 91

[By TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow November 21 TASS—Australian Foreign Minister Gareth Evans became the first politician to negotiate with Eduard Shevardnaze in his restored capacity as Soviet foreign minister. The ministers today began the second round of Soviet-Australian talks.

Shevardnadze and Evans are discussing major world and regional problems.

Gareth Evans said on Wednesday [20 November] Australia wants mostly to cooperate with the Soviet Far East, but is also interested in developing trade with sovereign republics.

Near East & South Asia

Pankin on Gorbachev Talks With Kuwaiti Amir

PM2011160691 London SAWT AL-KUWAYT AL-DUWALI in Arabic 19 Nov 91 pp 1, 6

[Unattributed report: "Pankin Tells SAWT AL-KUWAYT: Major Part of Talks Devoted to Gulf Security"]

[Text] Moscow, SAWT AL-KUWAYT—The Soviet foreign minister has said that the talks between his highness the amir, Shaykh Jabir al-Ahmad, and Soviet President Mikhail Gorbachev broached several security issues in the Gulf region and the Middle East. In a statement to SAWT AL-KUWAYT, he said that the Gulf war produced very important results for Arab-Soviet relations. A major part of the talks were devoted to security in the Gulf region, he added, since we reviewed the foundations of international relations, the pillars of the new world order, and mechanisms for guaranteeing no repetition of a crisis such as the Kuwait crisis. He said that the coalition established in the face of Iraqi oppression and occupation must remain solid in order to liberate all hostages and Kuwaiti prisoners detained in Iraqi jails.

He also said that the Soviet Union emphasized that it will do all it can to secure the release of Kuwaiti prisoners, implement the Security Council resolutions, and speed up the process of demarcating the borders between the two countries.

The Soviet foreign minister said that the talks broached economic and trade cooperation and ways of developing these relations and that it was left to the ministers concerned on both sides to discuss the details.

He also said that his highness the amir officially invited the Soviet president to visit Kuwait, that the Soviet president accepted the invitation, and that a date for the visit will be set later.

Mujahidin Leaders Comment on Moscow Talks

LD2111152591 Moscow TASS in English 1457 GMT 21 Nov 91

[By TASS correspondents Vladislav Legantsov and Nikolay Semenenko]

[Text] Islamabad November 21 TASS—Afghan opposition Foreign Minister Burhanuddin Rabbani, who headed a mujahidin delegation to Moscow, said his talks with Russian leaders and Soviet Foreign Ministry officials were "unexpected, frank, fruitful and effective".

He stressed, however, the mujahidin will continue fighting in Afghanistan until all structures of the Najibollah regime are eliminated.

He described as an achievement the Soviet Union's approval of the Afghan interim government's decision to stop arms and fuel supplies to the Afghan Army and pull out Soviet officers servicing Scud missiles in Afghanistan.

Rabbani reiterated his readiness to release Soviet prisoners of war if the Soviet Union forces Kabul to free detained mujahidin.

Many mujahidin are sceptical about the results of Rabbani's visit, saying his delegation was not authorised to represent the whole opposition and the results are not binding for those groups which did not send their representatives to Moscow.

Gulbuddin Hekmatyar, leader of the Islamic Party of Afghanistan, told the Afghan news agency the talks in Moscow were a black chapter in the history of the sacred Afghan war and urged the president of the interim government Sebghatullah Mujaddedi to resign.

Yunis Khalis, opposition interior minister, and 'Abdul Rasul Sayyaf, opposition prime minister, shared this opinion.

The Pakistani Government has yet to make its assessment of the talks. Director-general of the Pakistani Foreign Ministry Akram Zaki said the government will respond after it makes a thorough analysis of the results of the talks. He made it clear, however, Islamabad welcomes Rabbani's visit to the Soviet Union.

Afghan Minister Congratulates Shevardnadze

LD2011185291 Kabul Radio Afghanistan Network in Dari 1600 GMT 20 Nov 91

[Text] 'Abdol Wakil, minister of foreign affairs of the Republic of Afghanistan, sent the following congratulatory telegram to Moscow addressed to His Excellency Eduard Shevardnadze on the occasion of his reappointment as minister of foreign affairs of the USSR:

To His Excellency Eduard Amvrosiyevich Shevardnadze, minister of foreign affairs of the USSR:

Dear Excellency: I express my most sincere congratulations on the occasion of your reappointment as minister of foreign affairs of the Soviet Union. In hearing the news of your reappointment to this high position, the government leadership and people of the Republic of Afghanistan welcomed it with warmth and delight. They renew on this occasion the sincere memories of one of their best friends.

The experience of the period of my joint cooperation with you for maintaining the understanding, growth, and consolidation of fraternal and friendly relations between our two neighboring countries and your [word indistinct] sincere endeavors for the political solution of the situation in the Republic of Afghanistan, have always been alive in my memory. I am sure by your reappointment as minister of foreign affairs of the Soviet Union the friendly relations between our two countries will grow and further consolidate on the basis of our peoples' reciprocal interests and peace and stability in the region and the world. While our people are extensively aware and highly assess your indefatigable and courageous determination and endeavors for the growth and deepening of democracy in Soviet society and your worthy services and superb role in the creation of understanding and normalization of relations between East and West, the solution of regional issues, securing peace in the world, and establishment of a new international order, they believe, in relying in your [word indistinct] complete familiarity, your goodwill, and your earnest interest in the issue of Afghanistan, that you will assist them in this difficult and sensitive moment of their life to succeed in ending the fighting, securing peace, and achieving a political solution by using your high prestige and available means in your possession.

Taking this opportunity, I express my best wishes for Your Excellency's good health and further success.

Indian Minister 'Hopeful' About Future Ties

BK2011110191 Moscow Radio Moscow in Tamil 1400 GMT 18 Nov 91

[Text] We invite you to listen to our correspondent's interview with Indian External Affairs Minister Madhavsinh Solanki, who is on a visit to Moscow.

The correspondent asked the minister to say a few words about the talks he had with the leaders of the Soviet Union and the Russian Federation. The Indian external affairs minister said he had the great privilege of meeting Soviet President Mikhail Gorbachev and President of the Russian Federation Boris Yeltsin during his visit. He said his visit to Moscow at the invitation of Foreign Minsiter Boris Pankin was undertaken within the purview of the traditionally existing high-level contacts between India and the Soviet Union. He added that during his meetings with the leaders of the Soviet Union and the Russian Federation, he exchanged views with them on the situation prevailing in the two countries, especially on the issues pertaining to the strengthening of bilateral relations.

The correspondent asked the minister whether he discussed the current setback in Indo-Soviet relations during his meetings with the leaders of the Soviet Union and the Russian Federation. Madhavinh Solanki said during his discussions with the Soviet leaders special attention was paid to the issues pertaining to bilateral economic cooperation. The minister said he and the Soviet leaders understood that as a result of the significant changes taking place in the Soviet Union, constraints exist in the bilateral relations between the two countries. Both sides took full cognizance of these contraints and firmly resolved to make all efforts to overcome them. At the talks, it was decided to continue discussions on various issues in improving and strengthening bilateral economic relations. A high-level Indian delegation would soon visit the Soviet Union for this purpose.

The correspondent asked the minister to give his opinion on the future of Soviet-India economic relations. The Indian external affairs minister said he is hopeful about the future of bilateral economic relations between the two countries. He said he firmly believes that the current constraints are of a temporary nature and would be overcome within a few years. He further said steps are being taken at the moment to overcome the existing difficulties in bilateral relations and setting up a joint commission for this is under consideration.

Sub-Saharan Africa

De Beers Director Comments on PRAVDA Item

PM1911135791 Moscow PRAVDA in Russian 15 Nov 91 p 5

[Report by correspondent A. Lyutyy under the "Reaction" rubric on interview with Gary Ralfe, director of De

Beers corporation: "De Beers Would Like To Explain. Regarding an Item in PRAVDA"—first paragraph is Lyutyy introduction]

[Text] London—On 31 October a TASS article was published in PRAVDA under the headline "De Beers Is Happy" which quoted Gary Ralfe, the director of this well known corporation that controls 90 percent of the world's wholesale trade in rough and cut diamonds. A few days later a call came through to PRAVDA's office in London. The De Beers directors had noted the published item. But their attention had been drawn not so much by the TASS article containing what the corporation's director had said as by the footnote from the editorial office. Gary Ralfe asked to be given the opportunity to comment on this footnote. Here is what he said to your correspondent:

[Ralfe] First of all I would like to touch on the question of looking after Western firms already operating in the USSR. Why, for example, should Russia look after De Beers? We have been doing business with the Soviet diamond industry for over 30 years now. And this gives us advantages compared to other companies. On the other hand, De Beers occupies an uniquely important position on the world diamond market. For example, it controls over 50 percent of all the world's diamond mining and over 90 percent of sales. Your country accounts for another 25 percent of mining. So, objectively, De Beers and "Rosalmazzoloto" have such dominant positions that they are destined to be partners. Our commitment to this partnership was demonstrated last year when, in conditions of the Soviet Union's deteriorating creditworthiness, we offered you a $1 billion loan. The sum is unprecedented for a private company.

As regards the issue of the need to cut diamonds in the USSR, as a specialist, I must say the following: Both from the point of view of national interests and from the point of view of elementary economics, it is not always justifiable to cut diamonds in the country where they are mined. In world practice, it happens precisely the other way around. The main diamond-cutting centers are Antwerp, Tel Aviv, Bombay, and New York. Now all these cities are located in countries that do not mine diamonds. It is interesting that in this century not one diamond-mining state has managed to establish a powerful and successful cutting industry of its own. As a rule, it is more advantageous to cut diamonds in the traditional four centers, which have the appropriate infrastructure, experience, and capital. I even invite Russian specialists to conduct an experiment to look into the most economically profitable way of going about this. I am sure this will prove that the best way to sell your diamonds is through us.

The USSR, incidentally, already has a number of centers of its own where precious gems are cut—Kiev, Moscow, and Smolensk. Nevertheless, we understand your desire to develop your own diamond-cutting industry and are ready to assist you in this area. But naturally we would not want our bilateral business ties, and in particular our existing commitments, to be damaged.

East Europe

Trade Representative in Poland Interviewed

PM2111113391 Moscow PRAVDA in Russian 19 Nov 91 p 5

[Interview with G. Shchukin, USSR trade representative in Poland, by correspondent A. Starukhin in Warsaw in November: "On Petroleum, Potatoes, and General Lack of Money"—first paragraph is introduction]

[Text] Warsaw, Nov—Railroad workers believe that Brest station is literally blocked with empty freight trains brought here from the whole country—about 3,000 cars. They are prepared to receive from Poland potatoes, sugar, meat, and other food intended for us. At the same time only about 500 cars are being loaded each day. Trade between the USSR and Poland particularly recently has been looking far from brilliant. Why? That is the subject of the talk between your PRAVDA correspondent and G. Shchukin, USSR trade representative in the Republic of Poland.

[Shchukin] The situation is well known: Our country needs food more than ever. But let us first talk about joint trade and economic relations in general, my interlocutor began. Especially as they have indeed changed a very great deal. Trade turnover is falling. Only recently, Poland firmly ranked second among our trade partners and turnover reached nearly 13 billion transfer rubles. A year ago an end was put to these "rubles" which no one ever really held in their hand or had in their pocket and mutual accounts are in freely convertible currency. And immediately everything went into decline, because neither we nor our Polish colleagues have any dollars in our pockets and there is virtually nothing in the treasury. Today the Poles have slipped to fourth place in our business register. Less than half as much output and commodities now crosses the border in both directions.

[PRAVDA] Of course both the Poles and we ourselves are only suffering from this?

[Shchukin] Undoubtedly. Traditionally Poland used to receive from us a large quantity of oil, natural gas, iron ore, equipment for machine building, refrigerators, radio receivers, clocks, and cameras... In turn our neighbors supplied us with coal, coke, sulfur, medicines, food, clothing, footwear, cosmetics, and other consumer goods, and also machinery and equipment. Now it is primarily trains and refrigerator trucks from the FRG, Czechoslovakia, and Italy which come to us from the West...

[PRAVDA] And is this compensating for the deliveries from Poland?

[Shchukin] In no way. On either side. For instance, the transfer of crude oil has literally been halved from 11 million tonnes last year and the gas pipelines are correspondingly working at half strength. And you must remember that in Poland over 120 large plants were geared to delivering their goods to the USSR and a number of enterprises were adapted to work with our raw material. Today these enterprises are threatened with bankruptcy. One of the republic's main and best sectors—ship building—is in a very grave situation. If we now look at Gdansk, at the Szczecin shipyard, we see a depressing picture. Ships worth a total of $90 million have been constructed under contracts concluded with us four to five years ago. They are ready, and they are just standing there. They have even been accepted by joint commissions. There are representatives of ours sitting there and in individual cases whole teams—gobbling up their business trip expenses and wages. Our machine tool building is experiencing critical situations because of the cessation of deliveries of unique magnetic clutches and lathe chucks. At Poland's largest enterprise, "Stalowa Wola," the depots are overstocked with rear axles for cranes and gear boxes. Aircraft plants in Mielec and other cities are in a frenzy because of the overproduction of unpaid-for and unrequested components and subassemblies for our aircraft building.

[PRAVDA] Perhaps we must agree with the Poles that they should pass all this on to us, if only on credit?

[Shchukin] What are you talking about! Our debts for output produced for us has increased to $300 million. And we should not forget that the Polish enterprises themselves are in debt to banks which have loaned them funds and to the energy sectors which supply them with electricity and gas, solar oil, and fuel oil. These debts are incurring mounting interest. The crushing interest rates will undoubtedly be included in the cost of the output we buy. In addition we have really brought to their knees many of our neighbors' production facilities by ceasing to deliver tractors from Minsk and Vladimir and mineral fertilizers.

[PRAVDA] A conference of economists in Warsaw once noted: The Soviet Union is disintegrating and we do not know with whom it is most reliable to deal today, who will ensure guarantees of the unconditional observance of contracts. And they even cited the example of those ill-fated potatoes. They said that wheeler-dealers from the Central Asian republics have been in Poland since August and have thus bought everything for themselves—they have stockpiled the "second bread."

[Shchukin] And that is true. Today the Poles are more eager to conclude deals with specific republics, with "independent states" on the territory of the Union and they are keenly aware that the center is losing influence and strength. What I would call large-scale barters has become current. The example of the Asian regions involves cotton for potatoes.

Actually, I should also report something gratifying for our consumers, for the population. Under barter, partially as a result of payment in freely convertible currency, our country will receive as early as this year 100,000 tonnes of sugar, 12,000 tonnes of powdered milk, 250,000 tonnes of grain, 15,000 tonnes of animal fat, and a considerable quantity of cigarettes and seeds for various crops. Contracts have been signed for the delivery of an additional 450,000 tonnes of grain and 30,000 tonnes of meat. But these latter agreements are still in the balance—there is nothing with which to pay for them. Although in part, there are more detailed studies for 1992. In exchange for 1.5 billion cubic meters of gas, we should receive 600,000 tonnes of potatoes, 20,000 tonnes of flour, and 50,000 tonnes of apples.

West Europe

Honecker Sends Asylum Request to Gorbachev

AU2111113091 Hamburg BILD in German
21 Nov 91 pp 1,9

[K.L. Guenscher report: "Honecker Returns? Only in a Coffin"]

[Text] Life is becoming uncomfortable for Erich Honecker. He is trying by all available means to escape extradition to Germany. His last way out for the time being: a request for asylum. This request is contained in a three-page letter to Mikhail Gorbachev, which Margot Honecker typed herself: "If there is no other way out, I ask you to grant me political asylum." Said the ex-SED [Socialist Unity Party of Germany] chief to confidants: "This is my last attempt. I will only return to Germany in a coffin."

In the letter Honecker reminds Gorbachev that he was in prison because of his struggle against the Nazis. Now he is threatened with prison again because of his work for peace, friendship among peoples, and socialism in Germany: "You will understand that I do not want to return there." After all, he is old and sick. "I want to know what is going to happen to me. It depends on you," Honecker writes, asking Gorbachev for to meet with him.

His attempt to feign illness and to have himself treated again in the Mandrik hospital did not work. The hospital refused to take him in (with the support of the Army). The justification: "Honecker says he is the president's guest. The president has his own ways of finding a suitable place for treating him."

Russia's Justice Minister Fedorov said that his government will not take Gorbachev's view into consideration regarding Honecker. Honecker will "be extradited in the foreseeable future."

Says Boris Yeltsin: "I like the version that he would be taken to Chile. His family is there. However, for that we need the agreement of the German side."

Deputy Defense Chief Visits Turkey for Talks

LD2111102691 Moscow TASS International Service in Russian 1910 GMT 20 Nov 91

[By TASS correspondent Valeriy Litvinenko]

[Text] Ankara, 20 Nov (TASS)—Colonel General Bronislav Omelichev, first deputy chief of the General Staff of the USSR Armed Forces arrived here 20 November on an official visit. The Soviet guest was welcomed at the capital's airport by Army General Fikret Kupeli, first deputy chief of the General Staff of the Turkish Armed Forces and other Turkish military commanders.

Greeting the Soviet guest, General F. Kupeli said that the friendship between the Armed Forces of both countries also helps to bring the Turkish and Soviet peoples closer together.

The itinerary of the visit includes talks with Turkish military commanders concerning the continued development of cooperation between the Armed Forces of the two neighboring countries. The Soviet general will visit a number of troop units and training establishments of the Turkish Ministry of National Defense.

Lobov Arrives in Finland for Working Visit

LD2111152291 Moscow TASS in English 1425 GMT 21 Nov 91

[By TASS correspondent Vladimir Dodonov]

[Text] Helsinki November 21 TASS—Soviet Army Chief of General Staff Vladimir Lobov on Thursday [21 November] arrived in Helsinki on a working visit at the invitation of Jan Klenberg, commander-in-chief of the Finnish armed Forces.

Lobov is expected to meet Finnish President Mauno Koivisto and Finnish Defence Minister Elisabeth Rehn.

He will also meet Admiral Klenberg and sign a plan of activities to develop ties between the Soviet and Finnish Armed Forces in 1992- 1993.

At the airport, Lobov was met by Klenberg and other Finnish military officials.

Second Round of Finnish Border Talks Assessed

PM2111150191 Moscow IZVESTIYA in Russian 7 Nov 91 Union Edition p 5

[Correspondent V. Shmyganovskiy report: "Soviet-Finnish Border Will Not Change"]

[Text] Helsinki—After a second round of extremely intensive talks—in Helsinki this time—the Soviet and Finnish foreign ministry delegations have reached a preliminary agreement on the text of the new Treaty of Good-Neighborliness and Cooperation. The seemingly eternal document signed in 1948 by V. Molotov, which has defined our relations ever since, will therefore be consigned to the archives, as IZVESTIYA (No. 225) has already reported.

We will be frank: Now that the Treaty of Friendship, Cooperation, and Mutual Assistance (extended to the year 2003, incidentally) has been scrapped, Finland will essentially leave the orbit of Soviet influence. Particularly in the old meaning, cultivated by the leaders in the Kremlin. Nevertheless, unlike our bilateral agreements with the East European countries, which enslaved them ideologically and economically after the war, our treaty with Finland brought that country considerable benefits.

It has not been easy for the present Finnish Government to move away from its excessively cautious choice of words—each one apparently weighed on an apothecary's scales—and its contrived avoidance of certain "delicate" events: Heaven forbid that it should offend its Big Neighbor. For the first time ever, the foreign policy initiative in our bilateral relations has moved entirely to Finland. It expressed the desire to change our "special relationship" in the political sphere (it is also changing in the economic sphere as a result of the clearing system being abolished).

"The Soviet Union did not insist on reviewing the treaty," Yu. Deryabin, head of our delegation and USSR deputy foreign minister, said. "In principle, we could have continued to base our relations with our neighbors on this document. But we must admit that it was not in the spirit of the time—particularly Article One and Article Two."

The draft Treaty of Good-Neighborliness and Cooperation (it still has to be finalized by the experts and agreed in high-level government circles) says that the sides will endeavor to especially develop ties in the economy, culture, and environmental protection. It takes a new approach to security issues. The signatories to the treaty will pledge not to use force against one another and not to resort to the threat of force when trying to resolve disputes. They will not allow their territory to be used as a springboard for armed attack on the other side and under no circumstances will assist such an attack. It must be said that the 1948 treaty did not assume automatic military assistance from Finland in the event of a threat to the Soviet Union, but it did refer to "consultations," which the Finns greatly feared. The new treaty does not deal with security issues on any "special" level but on a normal, all-European level.

Finnish observers point out that there are now not even any formal obstacles to Finland's (with its neutrality) joining organizations like the European Community.

On the eve of the talks, Finns intensified their campaign for the return of the territories passed to the USSR as a result of the two world wars. Whereas no more than 25 percent of Finns questioned last year wanted to see Karelia's return, this year 36 percent spoke in favor of its return (IZVESTIYA No. 234).

As is well known, the draft proposed by the Finnish side made absolutely no reference to borders. Discussion of this subject was seen as a sign of mistrust. To the surprise of the partners in the talks, the Soviet delegation showed great firmness in discussing the territorial issue.

It was stressed that the border between the two countries will remain as a border of good-neighborliness and cooperation in line with CSCE principles, with respect for its inviolability and the two countries' territorial integrity.

I do not think the question can be considered removed from the agenda. Moreover, no one prohibits talks on the peaceful change of borders being held within the CSCE framework—with the participation of the people who actually live in the disputed regions, to ensure that their future is not decided by a narrow circle of people. But for the present, at this troubled time, the firmness shown by the Soviet delegation (unlike the wavering in the "Kurils question") is more in the interests of good-neighborliness than sowing illusions of speedy solutions to highly complex problems. The head of the Soviet delegation stressed that he has the mandate of the USSR president, the State Council, and Russia in this matter.

Latin America & Caribbean

Gorbachev Appoints New Ambassador to Cuba

PM1911135791 Moscow IZVESTIYA in Russian 15 Nov 91 Union Edition p 6

[Unattributed report under "Chronicle" rubric]

[Text] The USSR president has appointed Arnold Ivanovich Kalinin USSR ambassador extraordinary and plenipotentiary to the Republic of Cuba.

The USSR president has relieved Yuriy Vladimirovich Petrov of the duties of USSR ambassador extraordinary and plenipotentiary to the Republic of Cuba in connection with his reassignment.

Official on Reductions in Oil Supply to Cuba

PY2111001491 Moscow Radio Moscow in Spanish to Cuba 0230 GMT 19 Nov 91

[Text] [Unidentified commentator] Soviet and foreign media have reported lately on reductions in the Soviet supply of goods to Cuba. The reports mention oil first. We interviewed (Yuriy Petruliy), first deputy director of the company Soyuznefteeksport of the Ministry of Foreign Economic Relations, and asked him to clarify the situation.

[(Petruliy), in Russian fading into a report in Spanish] The reduction of oil shipments and by-products to Cuba during 1991, compared with previous years, is due to a general reduction of Soviet oil exports, (Yuriy Petruliy) said. The problems began when Soviet oil production started to drop. A 30 percent supply reduction is contemplated in the 1991 Soviet-Cuban agreement. Last year Cuba received 13 million tons of oil and by-products. The Soviet Union is committed to supplying 10 million tons to Cuba this year.

[Commentator] But how does Cuba pay the Soviet Union?

[(Petruliy)] As of 1991 the manner in which monetary and financial relations are conducted between the two countries has changed, as has happened with other CEMA member countries. In the past, oil prices for Cuba were expressed in transferable rubles. They were fixed prices for one entire year. At present, oil and by-products exported to Cuba are paid at international prices considering the appropriate contracts, quality, and shipment charges. Oil prices can fluctuate greatly in one year, or even one month. At this time, oil is worth between $20 to $21 a barrel, that is, $140 to $150 a ton. Current payments between our countries constitute a real [word indistinct]. The money paid for oil is transferred to special accounts that the Soviet Union uses to pay for shipments of sugar, citrus, nickel, and other Cuban goods.

[Commentator] You have said that oil prices include shipping charges. How much does Cuba pay for the transport of Siberian oil over such huge distances?

[(Petruliy)] As of 1978 the Soyuznefteeksport has been in charge of these operations and exchanges. This company has supplied oil and by-products to Cuba since then. As of 1978, part of the oil has come from Venezuela while Soviet oil goes to West European countries, fulfilling Venezuelan commitments. Cuba actually receives 95 percent of Soviet oil commitments from Venezuela and other Latin American countries. Such trading operations are advantageous for all parties involved.

[Commentator] Does the Soviet Union fulfill its commitments with Cuba?

[(Petruliy)] Current Soviet oil shipments to Cuba are carried out on a regular basis. Some delays are caused by the decreasing level of production in our country and because of problems with the Soviet merchant fleet. We are doing everything possible to resolve these problems.

Supreme Soviet

Gorbachev Addresses Supreme Soviet 20 Nov

LD2011114991 Moscow All-Union Radio Mayak Network in Russian 1004 GMT 20 Nov 91

[Speech by USSR President Mikhail Sergeyevich Gorbachev to the USSR Supreme Soviet at the Kremlin in Moscow—live]

[Text] In general, I view my role here at the rostrum somewhat differently; nevertheless, I think that if I miss anything, you can ask questions and we can talk, according to the traditions that have come into being for such occasions. I am reacting first and foremost to the fact that a debate arose here during discussions which concern, in particular, my request for credit. There were some sharp remarks and opinions, and, first and foremost, there was a hint that the president was not giving proper attention to cooperation and that, most importantly, he might even be trying to ignore the Supreme Soviet.

That, in essence, is what has concerned me most, because I cannot agree with this. If you recall that certain deputies—they wanted to call it something else—some deputies raised the question that, generally speaking, the president should be put on trial, you can see what kind of thing we are dealing with here. True, when I found out what section these accusations were coming from, I then realized that this was the usual thing, so to speak, and that nothing new had happened here.

First, dear comrades, I greet you, since I am speaking before you for the first time. I greet the Soviet of the Republics, the Soviet of the Union, and the bodies which are operating in the transitional period together with the State Council and the Interstate Economic Committee and other bodies, perhaps at the most difficult period. Fateful issues are being tackled and we have to find the right approaches in order to take advantage of the opportunities and overcome the difficulties—which have not only not decreased, but are growing—and advance the process of reform.

In my conversations with several deputies, I have sensed that many are pondering what the role of the Supreme Soviet should be at this time. I think it should be a role that fosters the consolidation of our society, as one speaks of our need for agreement, and it should promote cooperation between the republics, taking into account their new role and the reformation of our multinational state. I think the Supreme Soviet should also be open to constructive dialogue with our partners in the West, because this, too, is greatly significant in terms of our successful execution of the tasks that face us. All the rest is a matter of specifics and form, but that is where we need to direct our efforts at the moment, particularly toward the consolidation of our society.

Approaching the question of the budget and of what is happening here in our country, I would first like to dispense with, well, what has been at the center of attention of the discussions here, with what has given rise to many questions and much perplexity. It is a question on the following: By a presidential decree, and with the agreement of the president, a 63-billion [currency not specified] credit was used to defray budget expenditures.

I understand that this cannot make us happy, but at the same time we must, with a clear head, investigate all the complex material, our entire situation. I think that the very point which has given rise to the concern of the Supreme Soviet in particular is that comrades have formed the opinion that the president allegedly ignored the opinion of the Supreme Soviet and acted without its participation—and under the law of the Union budget which was adopted at the beginning of this year, this is obligatory; the president does have the right, but he must afterward send it to the Supreme Soviet for agreement and support.

Well, it is a question of the following: At the end of June, in connection with developments as they occurred, our financial economy grew even more complicated—the situation in the finance economy became more complicated—and we did not receive what we had anticipated from new prices. Moreover, negative processes were even urged on to a certain extent. And then the question arose of... [changes thought] I will mention some figures and give my view later; I will give you my assessment. But for now I just want to illustrate.

It was namely at that time, at the end of June, that the Cabinet of Ministers appealed to the president to come to the rescue, to finance budget expenditures at the Union level. They received such an agreement after frequent meetings, presentations, and debates on the subject. Then came the activity which ought to follow in these cases; namely, the Cabinet of Ministers decided that the appeal to the Supreme Soviet regarding these credits should be combined at the same time with the appeal to the Supreme Soviet on approving the extraordinary budget for the second half of the year. Anyone who has worked in the old commissions and committees will recall that this is all right. Then Comrade Kucherenko's commission also examined the situation. It ended with the subsequent appeal to the republics to fulfill their commitments regarding deductions [as heard] to the Union budget.

Nevertheless, this was exactly how events developed and work began on the extraordinary budget. It was discussed once or even several times in the cabinet of ministers that the deficit of resources was great, and this forced the Cabinet of Ministers to return. To put it briefly, it was July and that situation was still going on, and from 12 July, or approximately from the middle of July, the Supreme Soviet went on vacation until 1 September.

If one also adds to this the fact that what occurred during those holidays later brought us to the fifth extraordinary congress and to all the subsequent decisions, then you will realize that the issue found itself suspended, so to speak, because of the situation.

As I understand it, Comrade Silayev—and Ivan Stepanovich is here—inherited an economy that was, so to speak, a new one in the Union and he took his time becoming familiar with these matters, investigating and carefully examining the situation. But now he has, nevertheless, come to it, and he will not be going anywhere. Nevertheless, the situation is like this: The old Supreme Soviet is gone and now, once again, Silayev has just been meeting with the heads of governments of nine republics—or is it 12? [unidentified voice says "11"] Of 11 republics, and they were debating the problem of the emergency budget for the remainder of the fourth quarter. Naturally, the next stage is the 1992 budget. There is the explanation. I believe that I just have to give it to you in order to dispel any suspicions to the effect that the president is using some kind of authoritarian methods here, so to speak, namely regarding the USSR Supreme Soviet. This should be out of the question.

And now, to be more specific on this matter. This is, after all, a matter of life. First, let me remind you how difficult it was to draw up the 1991 budget. Deputies who worked in the previous Supreme Soviet will remember that in actual fact we were unable—right up until January, including at the December congress—to reach agreement on the budget. And then at the congress and after it, as a result of numerous meetings with the leaders of the republics, we concluded that there should be a Union budget and a budget of the republics; without this plan the republics would not have been able to consider themselves sovereign, as they would have been bound together by a single budget. So for the first time in decades we put together a Union budget and the republics put together the budget of the republics. In order to cooperate within the framework of the Union, an economic agreement for 1991 was signed in January, with great difficulty and after prolonged and difficult discussions.

The Supreme Soviet then decided on expenditures from the Union budget totaling 276.8 billion rubles [R]. I will not remind you of the items on this; I think you are au fait, and you have these documents in your hands. This is a reminder. But the essence is that by 1 November the budget deficit was about R100 billion, in contrast to R40 billion for the corresponding period the previous year. Over 10 months almost R33 billion have been spent out of the stabilization fund, mainly for centralized capital investment and subsidies for the republics. However, only R7.2 billion were received by the fund, the stabilization fund, from enterprises.

What has happened? Perhaps serious overexpenditures were permitted? Why was the provision of credit necessary to cover expenditures from the Union budget? Or were there other reasons?

First and foremost, expenditures item by item. Especially as a result of increasing prices, a little more than was intended in the plan will be expended for defense purposes—R6.1 billion. This is understandable inasmuch as it was necessary to pay compensation to all servicemen.

There are some other matters: an additional R15.2 billion for social measures, and an additional R3.2 billion for eliminating the consequences of Chernobyl. It has been possible to squeeze down the remaining items of the budget expenditure, however painful this may have been.

As a result, the reduction of expenditures for the national economy is estimated at roughly R21.9 billion. Expenditures relating to foreign economic activity have been reduced by R8.3 billion, primarily by reducing government credits granted to foreign countries.

Statistics show that Union administrative bodies have not allowed an overexpenditure of resources under the Union budget. On the whole, expenditures expected over the year will total R10.5 billion lower than was planned, or R266.3 billion as compared with the confirmed figure of R276.8 billion.

Expenditures within the framework of the Union-wide stabilization fund will evidently be R8.8 billion lower than was planned for the year. And it is planned to reduce... [changes thought] to effect centralized capital investment at a reduction of R4.8 billion. Expenditures on conversion will be reduced by R2.0 billion. Expenditures on covering losses by industrial enterprises will be reduced by R2.6 billion. This takes into account the fact that additional unplanned expenditures were effected over the year, primarily relating to the retail price reform.

It is precisely for this reason that expenditures for the upkeep of the Army increased by R6.0 billion. An additional R3.2 billion had to be spent on additional benefits for the population living in areas affected by the Chernobyl accident, and R12.5 billion were expended within the framework of programs falling under the fund for the social support of the population.

Nevertheless, despite all these measures to reduce expenditures, the deficit in the Union budget and stabilization fund is estimated at almost R205 billion for the year, taking into account the new value of the ruble, of course. When the republic budgets are taken into consideration, the deficit in the country's budget system will amount to approximately R300 billion.

What is at the heart of this? In terms of the Union budget, considerably less has been received into the Union budget from the republics than what they should have paid in. It was expected that R41.6 billion would be received by the end of 1991, but according to Ministry of Finance estimates, not more than R26 billion will have come in. Additionally, there will be a R40.3 billion shortfall in payments to the economic stabilization fund.

But the fact of the matter is that the budgets of the republics also are in a grave state. And here we come to the main reason for the budget deficit. The financial malaise is a general reflection of the malaise in the country's whole economy. Over the year, the fall in industrial production will total 7 percent, in agricultural production 9 percent, and the fall in national income 15 percent, when the drop in income from foreign trade is included. So here, in fact, we have the basic reason for the overall disarray in finances.

The fall in income for the budget from foreign economic activity has had an extremely grave effect. Exports have fallen considerably; over nine months, they amounted to a little over R65 billion, a drop of almost 31 percent compared with last year. As a result, there has been a shortfall in income of more than R19 billion. Imports over the same period of this year amounted to R58.9 billion, which also is a fall—a fall of 42.2 percent—which also has led to a drop in income for the budget, almost R13 billion as a result of falling imports.

Such is our overall economic situation, speaking in the most general figures and describing it very generally. What is the way out of it? The way out lies, of course, in one thing: going decisively along the road of reform.

But all this work will yield returns, at best next year. Today, however, we must settle the question of financing Union budget expenditures by the end of 1991, as this concerns the important spheres of the country's defense and maintaining the basic industries—first and foremost the power engineering industries—social programs, science, and so forth. I therefore submit a proposal to permit the USSR State Bank [Gosbank] to grant credit for these purposes and also to confirm the credit of R63 billion granted earlier to the USSR Government, and to put this sum down to the internal state debt.

We discussed this matter recently in the State Council; given the situation, it was decided to instruct the government to study the whole situation again, within three days, in conjunction with financial experts, and to submit their proposals. A meeting has just ended today—if you have any specific questions for him, Comrade Silayev can develop, or rather describe, this discussion in greater detail. But in any case, the emergency budget we drew up in conjunction with representatives of the republics, and which was discussed at the level of heads of republican government, met with support from all—with the exception of one who apparently voiced disagreement—as an emergency measure dictated by the situation itself.

Work on the 1992 budget has now started. We must be quite clear here that without harsh economy measures, without the interaction of all the republics, without precise and most strict discipline, we will get nowhere. This is, in my view, the most important lesson of the year. If we continue to operate the way we have been—one goes into the forest for mushrooms, another goes to fetch wood [Russian proverb on engaging in wholly uncoordinated activities] or on the swan-crayfish-pike system [reference to a fable with the same meaning]—then we will end up not with just the same results, but with even graver, catastrophic results. This coordinated approach must be brought about through common efforts, and this means both in terms of the republican budgets and the Union budget.

Regarding the issuance of money, it had been decided to issue R7 billion this year, mainly to service the growing goods turnover. In fact, however, as of 1 November it had reached R83 billion.

What has happened? We all know that during the current year over half of the industrial production and the main bulk of agricultural production is being sold at contract prices. This is a real step toward the transition to a market system. Reality is such that even given a reduction in production, enterprises will this year, thanks to these prices, achieve a R160-billion profit, of which over R100 billion will remain at their disposal. Of these funds, they will also direct at least R60 billion toward consumption. That is essentially how the situation looks, and one can confidently predict it.

Let me mention a few things here. Why has such a currency emission been allowed here? The Gosbank's action mechanism is such that an emission depends to a significant extent on the demand for money supply. And the overall situation is characterized by an increase in that demand.

The spread of this practice of using contract prices and the expansion of enterprises' rights to use their profits have brought about a rapid rise in wages. Furthermore, the population's incomes have risen faster than spending. Over the last 10 months, incomes rose by 75.8 percent while public spending on goods and services rose by 54.9 percent; in other words, by much less. The proportion of the population's money income spent on purchasing goods and paying for services was 69 percent in the past months of 1991, in comparison to 77.5 percent for the corresponding period last year. The physical volume of trade turnover for the last 10 months has dropped by 11 percent compared to last year, while it has risen by 57 percent in terms of the prices paid. All this demonstrates that the increase in the population's money income is not backed up by a corresponding increase in goods and services, even in terms of current, rising prices.

The fundamental reason for this situation—let me repeat this to stress it again and to accentuate our main problem—is the reduction in the volumes of industrial and agricultural production and the lack of a mechanism tying the rise in wages to end results. Almost always, checks on enterprises regarding this issue and familiarization with existing practice today demonstrate that there are virtually no enterprises where this principle of tying activity, activity—[changes thought] wages to end results is observed.

Much of this is linked to the way in which the economic reform develops, and I have to say that now.... [pauses] Grigoriy Ivanovich, she [not further identified] has understood everything and I already have been speaking for 30 minutes. She has understood everything, but she did not catch the fact that the president is speaking. Please excuse me, but something is thumping and thumping into this ear and it turns out that it is Revenko, the head of the president's apparatus, who is thumping. [sentence as heard]

I think, comrades, that there are reasons of a more general nature, I would say, upon which the reform itself depends, and I wanted to talk about this and tell you about the latest steps and the results of the meetings and the decisions adopted in this connection at the State Council.

When I talk about the main reason, I am referring to the disintegration of our statehood after the August putsch, which prevented the signing of the treaty. The reactionaries could not accept the signing of the treaty because they believed it meant the collapse of the Union, and the left-wing extreme radicals regarded it as.... [changes thought] They did not accept it either; they rejected it and criticized the president of Russia because the treaty preserved a unitary state and the old center. Well, this struggle, so to speak, ended with the well-known results. The treaty has been buried and everything that was connected with it has been buried. In its wake we have been arranging the adoption of a constitution, the adoption of a law on elections and the formation of new bodies on this new basis.

You remember the condition we were in after this and immediately when we gathered for the extraordinary congress. We were essentially back where we started. I have never in my life experienced anything like that before and, God forbid, that any of us go through it all again. I think we simply would not survive. We simply would not survive any more of this.

And so, on the one hand, we say this: The reactionary forces have been demolished, and, moreover, the structures have been smashed. We will not say how they have been smashed, whether it was done skillfully or not, but they have been smashed. And, at the same time, some very serious obstacles and barriers have been removed on the way to reform, on the path of moving forward the whole process of democratic reform.

This is a chance, an enormous chance. But comrades, the fact that we have been obliged to begin anew the whole process, both as far as the economic treaty is concerned and especially the political treaty—and the fact that we have found ourselves in this condition—this has led to the mightiest, simply most dangerous disintegration of our state. It indeed has reached the most dangerous proportions, and it is being accompanied by the decay of society, the rupture of society, and the collapse of the economy, and its division into exclusive markets. It is accompanied by a breakdown in economic ties. Most importantly, the interaction between the legislative and executive bodies has been destroyed, so that in this state, in this country, in this economy, which is totally interlinked and cannot be restored or regenerated in any other way, these bodies are not functioning and they cannot implement or launch the reform process. And it turns out that the opportunity that had opened up is not being used; we are continuing to mark time, because disintegration has led us to such a state.

Given this, I would like to state before you my profound conviction, which I will try to express. True, one cannot always count now on even the president's opinions being brought to the population of the country, as one press monopoly has now been replaced by another. This also is a reality, and we have to realize, both in the Supreme Soviet and everywhere, in which direction we are moving—all this has to be realized.

I am convinced that—and it is on this basis that I have been behaving during the recent period, even when at the fifth congress we were discussing the question of a political union, when someone wanted just to mention it somewhere as an afterthought, but I insisted, and that is how it is written, as the central, main, first point and the main task—without restoring the process of preparing and signing a new Union treaty, and concluding it; that without renewing the Union and interaction among the republics within the framework of a new Union treaty, nothing will succeed. All our designs are doomed, and all our plans are doomed.

And so, the central issue is the destiny of our state. That is the first thing. Second, I take as my premise—I reached this conclusion long ago, even in the old Supreme Soviet; in the debates I detected this idea and studied it and developed it for a long time, and I expressed it to that Supreme Soviet, and I have expressed it recently—that when we carry out the reform of this state, we must do so taking into account the right of a people to self-determination, the right as far as secession.

I confirm my position, and I still adhere to it. But in studying our realities and our country where this process of reform is under way, I have reached the deep conclusion that, by virtue of human links, cultural links, economic links, and scientific links, and by virtue of the strategic space that has emerged, and so on, we cannot take the road of division. We have to take the road of redistribution of power, to really put into effect self-determination by way of a deep reform of the Union state.

I have defended this position for something like the past 18 months, and I still adhere to it now. And what has happened since the events of August—and this is, so to speak, the putschists' gift to us, this colossal disintegration that is going on—is another dreadful argument, one I would rather not have, in favor of our need to reform but to preserve the state.

I have to say that in the course of these debates I have met the representatives of the republics, and not only of the republics. The media in our country is simply overflowing with ideas calling for Russia to shake itself free of its shackles and burdens and go its independent way, and calling for the Ukraine and other republics to go their own way, and so on. So what I am saying is nothing new.

I would just like to say that I am convinced that if we do take that road, and think of the Union of Sovereign States as something improvised, formless and incomprehensible, then I am certain that we will get bogged down. We are already up to our necks in all this ineffectiveness and lifelessness, in an amoeba-like condition. The country is simply going to ruin like this. And if we think like that about the future of the Union of Sovereign States, a catastrophe awaits us, no more no less. A catastrophe.

I say this word not as part of a polemic, not as a debating device, but in the plane of political analysis. For that reason, at the last sitting I again insisted that we must create a Union state, a Union state [repeats himself]; it has to be a Union state.

As a result of very heavy debate, we arrived at this conclusion: that the draft treaty on a Union of Sovereign States—which was harmonized on 14 November, and which I distributed to the leaders of republics two days ago for final study and initialing, which we are planning to get together to do next week—include a note, which we arrived at on 14 November, through which every republic which is party to the treaty is a sovereign state, and that the Union of Sovereign States is a confederative, democratic state which implements an authority bounded by the powers which are voluntarily vested in it by the parties to the treaty. We have talked about this state needing to possess all the attributes characteristic of a state, but taking into account the process that restructuring and the reform of the unitary state which we used to call a federation has led us to.

The participants in the discussion, members of the State Council, came out in favor of questions of citizenship and territory being decided in that state in such a way that the inviolability of borders should be guaranteed; and in favor of this Union of Sovereign States having a united Armed Forces, with a centralized directorate and the aims, purposes, and procedures for activating the united Armed Forces, as well as the competence of the states participating in the treaty in the sphere of defense, being regulated by an agreement provided for by this treaty.

The participants in the discussion came out in favor of the Union carrying out a coordinated foreign policy and in favor of the preservation of an economic area within the framework of the treaty, which has been signed and approved and which will be presented for ratification in the near future.

Also at issue was the matter of delegating to the center the functions of coordinating general scientific and technical programs; defending human rights and the rights of national minorities; coordinating general ecological programs, obligations, and responsibilities in power engineering, transportation, communications, and space; maintaining cooperation in the sphere of education and culture; combating crime; and so on.

That is what the members of the State Council are counting on. Since, although the discussion was difficult and tough, it ended with agreement on these main questions, I think it will receive support, too.

We also agreed, taking account that it is a confederative state that is at issue, that this state should have a president elected by the people. We argued for a long time about how the president should be elected. There was a point of view that he ought to be elected by the parliamentary assembly. I think this point of view was unacceptable, and in the end we reached the conclusion that the president should also be elected by the citizens, because all the presidents of the republics are elected by the citizens—they receive their authority, their powers from them—and if the president of this state is elected by the parliamentary assembly, then he will more likely be a puppet in its hands. And so, the system of this complex state should be balanced by the head of state, a president who receives his powers from the people—from the people, from the citizens themselves.

The form it should take, the procedures that should be adopted—that is another matter. Whether it should be by direct election or by indirect electors, that is also a different question, a question of the system. The lawyers can do some work on this and propose options, so to speak.

There was discussion of the fact that the Supreme Soviet.... [changes thought] In fact, to start with there was a proposal that the Supreme Soviet should be a single chamber, a Soviet of the Republic... [corrects himself] a Soviet of the Republics. Nevertheless, I think the correct proposal was agreed on, for a two-chamber Supreme Soviet, because if the Soviet of the Republics provides an opportunity to integrate the republics and to do so on the principles of equality, then the Soviet of the Union provides an opportunity to take into account the weight of each particular republic according to the size of its population.

The question was raised as to whether or not there should be a government after the areas of the possible authority that would be given to the Union have been outlined. The opinion was expressed that there must be a government in the Union.

As far as the Supreme Court is concerned, the following opinion came out ahead: that the Supreme Court must carry out the functions of a constitutional court and of an interrepublican court in defending the rights and freedoms of citizens; that it must consider civil and criminal cases of an interrepublican nature and be the supreme judicial authority regarding military courts. A point of view was expressed that perhaps it should be entrusted with considering arbitration cases, but the correct decision, in my view, was reached—that the supreme court of arbitration in the Union should be separate, because this court is going to have a lot of problems in connection with the transition and entry into the market economy.

There was a lengthy discussion on the issue of the Union Procuracy. Opinions that it is not needed were expressed. But, given the fact that there is essentially a need for the Union, that there are citizens, legitimacy, and the need to defend rights and defend what is recognized, then the supervision of the implementation of the legislative acts of the Union is going to be carried out by the procurator general of the Union and by the procurators general or procurators of the states participating in the treaty. And the procurator general must be appointed by the Supreme Soviet.

I have to say that there was a lengthy debate on the question of how the process of the adoption and signing of this treaty should be approached. The comrades expressed themselves in favor of this procedure: that the treaty must be submitted for consideration by the supreme bodies of power in the states that form the Union, that naturally it must be examined and discussed there and be approved, and that it should come into force after it has been signed by the authorized delegations.

For the signatory states, the 1922 treaty on establishing the Union of the SSR is to be considered invalid from the same date. The relations between the Union of Sovereign States and states which were members of the Union of Soviet Socialist Republics but have not signed the present treaty are to be regulated on the basis of mutual obligations and agreements. Those taking part in discussing this variant of the Union treaty, this draft of the Union treaty, advocated that those republics which unite in a political union and form an economic space should enjoy advantages and that their relations with all the others should be built upon generally recognized international principles.

Thus, in general, the responsibility felt by all the leaders of the republics and the country helped to move this, the most important issue, a very long way, I think. I do not think that this process will end so very easily, but I am, nevertheless, convinced that if we keep on dragging on, using all sorts of pretexts about the purity of the wording, and about taking into account all the nuances, then we will lose the main thing. We will not.... [changes thought] This treaty will not get going either; we could find ourselves in that situation.

And so, I personally am in favor of this treaty, this political treaty, being concluded in the near future. It is currently, as I have said, being reviewed by the heads of government of the Union. It will then be initialed, and in that form will be submitted to the Supreme Soviet. It will, of course, be submitted both to the USSR Supreme Soviet and, I think, it should be made public—that is my view, and we did the same thing before, in fact—so that the people can see what sort of treaty we have arrived at now, in the current situation.

People, our people, feel a great deal of anxiety over this central issue; they have even forgotten about the ills and burdens now afflicting them. They understand that these burdens will grow and that they will not be able to cope with them unless the fundamental issue is settled. All information—the latest research in the republics and individual regions on this issue—on what our people think about the Union treaty and about preserving the Union state confirm that more people are now in favor of the Union than voted for it in the referendum. Life itself has brought people to this firm position.

By way of a short briefing, there are several questions. Regarding the economic treaty: As you know, this has been signed by a certain proportion of the republics, and several more are going to sign it. A package of agreements which are needed for its ratification will be completed by Friday [22 November], and I think the whole package of agreements will be ready next week. The treaty will be sent to all Supreme Soviets of the republics for ratification.

Representatives of the Group of Seven are presently in our country, and I have just met with them. They arrived to discuss matters connected with our cooperation in the context of implementing reforms in the country. This is kind of a development in the accord that was reached in July at the London meeting between the president of the country and the G-7 leaders. Several stages already have passed, several debates and meetings have taken place, and things are now on the plane of specifics.

They pose the issue this way, and we, in fact, considered and do consider this to be to some purpose; we are posing the issue not of cooperation in general, not of aid in general, but of joint action and of a certain degree of synchronization between our steps for reform and the action of the G-7 and EEC countries. It is in this vein that the proposals that they have brought with them are being discussed. On the other hand, they require certain information from us about what steps we have in mind, in what order they will take place, and how much resolve we will show in implementing reforms.

I will not anticipate things. One discussion has, in my view, been completed more or less successfully. The issue here concerns the fact that the republics have finally firmly stated their joint responsibility for debts; if this issue is not settled, the G-7 representatives will not consider it necessary or possible not only to continue discussions but also to conclude or implement credit.

This question was discussed for two days. The discussion ended late at night, and on the whole successfully, I think. The Russian Federation played an active role by coming out in favor of this, going so far as to state, for those republics which refused to sign the memorandum on joint and combined liability, that it was taking this upon itself. The number of those wishing to sign increased immediately. I therefore welcome this active role by Russia. It is in keeping with the intentions we are feeling at this time to move the reforms resolutely forward.

I am not going to go around analyzing and assessing all the decisions and all these steps now, but I have a right to state what is happening at this time. Generally speaking, we are facing some difficult decisions, difficult ones, but I think that if we continue to avoid making these difficult decisions then we will have an even more difficult situation. And this we must understand perfectly well.

There are questions on which it is perhaps worth saying a few words today, the food situation, for instance. I am not going to take upon myself the responsibility—that would be contradictory, and I would be going beyond the authority of the Union bodies, including that of the country's president.

For the last few years, and especially today with the food agreement, the main responsibility for food provision has been the responsibility of the republics. Even in terms of what is due to come in under interrepublican deliveries, during the latest stage of work on the food agreement the republics all expressed themselves in favor of this section being taken out. This should become an integral part of bilateral agreements. The issue has been worked through, all the requirements have been brought out, the reciprocal links have been defined and emphasized, proposals have been prepared, and the proposals have been approved and adopted and have been included as an integral part of the bilateral agreements. What remains is what you saw when you read this agreement.

As far as the greatest Union responsibility is concerned, this is what it amounts to: All the republics have said that in the present situation joint action is required; they have instructed the Interstate Economic Committee to enter into negotiations and to manage all cooperation with international organizations and individual countries on resolving issues linked with credit for food, and all the republics have authorized the Vneshekonombank to carry out practical work in this direction.

Touching upon that issue, I would like to say that one can now speak concretely, at least—some efforts will still be required—but one can say that the most realistic thing now, from the point of view of receiving imported foodstuffs, are the credits of the United States, the commission of the EEC, Germany, France, Italy, and Canada. The use of these credits may allow us to buy, before the end of the year and in the first quarter, foodstuffs worth approximately R5 billion in hard currency. Combined with what we should receive from our own production, that will allow us to maintain the level of foodstuff provision of 1991, or close to it. To put it briefly, efforts are being made toward that end. Comrades Silayev and Kulik will go to the EEC and France in the near future to realize these agreements.

As you have noted, after the conversation in Madrid with President Bush and the subsequent visit here by a group of experts, Washington is completing work on a decision to grant credits worth R1.5 billion for agricultural produce, mainly grain, soya, and so forth.

As far as the administration of these processes and distribution is concerned, comrades, this is a very important question. We must think about that, all the more so if we are to travel along the path of reform, giving incentives to enterprises, developing enterprises, and resolving all the questions which will be accompanied at the same time by the relaxation [otpuskaniye] of prices. Thought must be given as to how we should allocate food resources in a better way to ensure that they do not disappear down a hole and are not exploited by profiteering elements. That is a question with which we must deal thoroughly.

As far as fuel and power engineering are concerned, well, of course, we are not getting enough. And there has been a shortfall of 37 million tonnes in our coal supply over 10 months, and a shortfall of petroleum with gas condensate of almost 20 million tonnes, and of 8,000 million tonnes [as heard] of gas. Nevertheless, if we work efficiently and support our basic sectors—and they need that—it will be possible to provide the national economy or the population with a more or less normal supply of fuel.

Our coal stocks as of 18 November, as compared to last year: Last year the estimate was 29.4, the actual stocks are 29.8 [millions of tonnes]. Stocks of fuel oil: the estimate was 5.8 million tonnes, the actual is 6.5 million tonnes; in other words, somewhere within the estimated limits.

The heavens above us are helping us, of course, in that it is 20 November and we have not yet seen the frosts, so to speak, and this has helped. But there are problems even here. First, around the regions; second, with coking coals; and so on. To put it another way, all methods must be used in dealing with both foodstuffs and fuel—economic, administrative, command-based and whatever else—to ensure stability, because it will be difficult to talk about continuing our work in all areas unless there are solutions and food and energy supplies are maintained at least at the minimum level.

Generally speaking, we are at a point where we have to find a solution. I do not think that we will be able to achieve ideal solutions in a brief period. So if we see there is a basis for making a decision—and this concerns above all political union and the economic treaty—then we need to make a decision both in the republics and here, within the framework of the Supreme Soviet, the State Council, and the Interstate Economic Committee. On that note let me conclude my speech.

Holds Question-Answer Session

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[Question and answer session with USSR President Mikhail Sergeyevich Gorbachev following his speech at the USSR Supreme Soviet on 20 Nov—recorded]

[Text] [Unidentified man] Exactly 40 minutes is allocated for questions.

[Sokolov] Deputy Sokolov. Mikhail Sergeyevich, please formulate what you include in the concept the principles of social justice, as written down in the draft Union treaty.

And the second question: What social or professional layers of the population do you intend to lean on in your work until your power ends?

[Gorbachev] I link the principles of social justice with the democratic transformations we are carrying out. There cannot be principles of social justice without political and economic freedom. There cannot be principles without diversity and recognition of forms of ownership, and there cannot be social justice without a definite state position of protection via its regulatory possibilities for layers of the population that need that protection. A most general answer, so to speak.

The second question: On what layers? I think that every president, representing any kind of political tendency, and if he reflects... [changes thought] rather, occupies that post because some kind of party or a party bloc has won, nonetheless he must think as a whole about society and take into consideration the views of all layers of society. To talk about my profound conviction about what we need, then it is that we must nonetheless proceed along the path of stimulating the process of reforming attitudes toward ownership, and on that basis I think that a role will emerge within the working class, which will embark on the paths of destatification or commercialization, in any event having dealings with possessions via joint stock-holdings, and that is exactly what we want, that people should be involved.

Another matter is in what form this will take place. We will stimulate—and I think that we will be doing the right thing—the privatization of the spheres of trade and services in the area of medium and small-sized businesses, and active people who are so inclined and who are ready to get involved should, with their cooperative association, go ahead and act and display initiative. I think that it is necessary to support our peasantry right now in every possible way. I would say today that this is our most serious error. We are approaching the resolution of this problem, but so far we have not found those essential solutions to, today, interest and arouse the interest in our peasantry toward results and business. Therefore, I support land reform in the form recognized by the peasants, those who first and foremost work on the land. [shuffling and muttering in background].

All these sections deserve to be taken into consideration, and it is they who will determine our social climate and the results of our economy.

[Gribanov] Deputy Gribanov, Republic of Belarus [Belorussia]. Mikhail Sergeyevich, I would like you to clarify the contradication which I think I heard in your speech and to answer a question in this connection. You said that you believe in two things, in two postulates: that the republics must be subjects, so to speak, full of rights, and that they have the right to secede. Secondly, you are against the break-up of ties that have existed and still do exist up to this day. In this connection I see, to my mind, that you are in a contradictory situation, which cannot be resolved. The ties that you do not want to be broken are from the old times, from the past. The fact is that the republics are abandoning such ties. They are breaking loose from them and are, so to speak, proceeding along the path to independence.

[Gorbachev] I do not see any contradiction here, but nevertheless I understand your thought.

[Gribanov] Here is a short question in this connection. Do you not consider that it is time to eliminate the Union superstate structures over the republics and to put more beef into interstate structures? I mean eliminate the institution of the presidency and the position of the presidency, eliminate the Supreme Soviet and the institution of the USSR people's deputies and transfer everything, transfer all the powers to the interstate structures that the republics will create themselves instead of you and the State Council doing this?

[Gorbachev] I would like to answer the second question, since I have thought this over myself and my position on this is known. I would like to remind you of it. No, I do not think so, since interstate structures do already exist now. They are trying to do something. They are trying to do something within the possibilities that exist. Something is coming out of this. But this state of things, I would like to tell you, is accompanied by a huge disintegration, disintegration. We are proceeding from the basis of the realities that have come about in these regions over 10 centuries. We should come to the conclusion that if we are not infected with separatism and isolationism and if we are capable of analyzing and doing this in scientific way—and I have to, generally speaking, say frankly that politics cannot exist if realities are being ignored—the realities dictate that the Union state should be retained as a political instrument and a mechanism which is servicing these realities, especially at this stage of reforms.

I must say that every step to a new... [changes thought] in mutual relations between sovereign states is difficult to achieve. If we create structures where there are only discussions, then we will perish, we will get bogged down at this stage. For this reason, I am calling on you to become my supporters, free yourselves from this, free yourselves. Moreover, I will tell you frankly, so that you know, at the State Council I said that if we are talking about a Union, and not a state, this is the republics' affair, it is their choice, then I finish my work on this.

If we are talking about a Union state, a confederative one or something like that, with effective competent powers, but within the limits of the powers which the republics surrender, what the republics themselves need.... [changes thought] Look what kind of circle arises: You will now constantly ask me questions, and I will say, this is not my business, the republics must answer for that. For we are talking about defense, and what our strategic area is, how can it be divided and broken up? The whole world is trembling at this. We are talking about an agreed upon foreign policy—are we going to conduct 12 or eight policies, or how many of them are there? Bear in mind that this simply arouses anxiety in the whole world.

Our Union is a major support, a powerful support for the contemporary world. It must fulfill this role; they are counting on this everywhere—in Europe, the United States, not to mention Asia, Africa, and so on. We must see and understand this. Finally what is necessary must serve the economic area in order that things work here, so goods can move freely, so there can be cooperation, so pricing policy and general approaches can be coordinated. Real mechanisms are also necessary. And it is striking that there, in the West, they understood this long ago, and they are fighting, they are literally putting pressure on our republics to reach agreements quickly, otherwise they cannot even continue cooperation until we sort things out here.

And we in this country are incapable of understanding how important it is for us to preserve this in the general interest. I think that we need to overcome what many of our politicians fell ill with, to free ourselves from this. As long as it is not too late, we can do a lot. Now I do not see any contradiction regarding the first question. For generally speaking there is no absolute sovereignty, neither of the individual.... [changes thought] Let us put it that way; everybody lives in society and recognizes the rules of society; you live in world society, recognize its rules; you sign an agreement, you recognize the priority of international law over your own.

Thus, no one has absolute sovereignty because of the fact that one does not reside on a desert island, but in some community—in the world community of states if one speaks about a state.

In this case when we say that we are building a new Union, it means that all restrictions that are connected with bureaucratic centralization and with the suppression of sovereignty and independence of the republics—they all lapse. By joining the Union, the republics will voluntarily leave to a new Union what they believe they would benefit from. That is, yet again they are tackling this issue independently, and their sovereignty, or let us say even their independence remains their initial position.

By the way, the Ukraine is now on the eve of voting on Ukrainian independence. In connection with this, many people suppose that the Ukraine will vote for independence. That is it. It is not part of the Union, it rejects, etc. This is being suggested, they want to make use of it.

Generally speaking, Russia and Kazakhstan have remained dependent—they have not proclaimed it, but probably they will proclaim it. As for the rest, they have already proclaimed their independence, but all of them—many of them are taking part in building the new Union, and in Novo-Ogarevo we worked together on the political agreement.

That is why independence is a greater degree of freedom in order to voluntarily tackle the issue: I will take part in this process, I will be making my contribution and I assume responsibilities, and I delegate powers.

I do not regard the issue of independence as an immediate divorce from all the republics. Some people want to present it this way in order to make capital out of it. I regard it as an independent basis to display the right of every state and every republic to sovereignty.

[Chernichenko] Chernichenko from the Russian Soviet of the Union. The state is a formation that mints its own currency. Will the USSR or the SSG [Union of Sovereign States] be minting its own coin or—judging from the fact that this element was entirely omitted from your speech—will we make do with the grivna or (okcha), krona, lit, etc. I only want to say that it is necessary to acknowledge the fact of the death of the ruble, which is inscribed with "Proletariat of all countries..." as it is impossible to ask for 300,000 million for.... [changes thought] If it does not exist, it is not there.

[Gorbachev] Well, the question is clear. May I answer? You will find an answer if you read the Economic Community Treaty. Everything is there. And there will also be details in the agreement on this. It is recognized there that there should be a common currency which will probably, most likely, because of Russia's strength and authority, be the ruble, like a ruble zone. But at the same time it is not negated there that if any republic decides that that is what it wants, then mutual relations should then be decided, on the basis of agreements, between those currencies and the ruble. But incidentally, all of our foreign partners are stunned. We, they say, in the European Community, are moving toward a single currency, towards the Ecu, while you are starting to move in the opposite direction. You need to involve yourselves in work for a financial improvement; to take the financial situation in hand. That is right, but it does not mean that we need to refuse to have a single currency if we recognize a common market.

[(Ishymov)] Kyrgyzstan's deputation, (Ishymov). Esteemed Mikhail Sergeyevich, the republic's deputation sees stable borders between republics as being one of the most important restraining factors in the disintegration of our state. A question arises in connection with this: Are mechanisms, legal guarantees ensuring the stability of borders between republics, envisaged in the Union treaty; mechanisms for regulating interethnic conflicts which arise on that basis?

[Gorbachev] Article 3 in the draft treaty: The territory of the Union: The territory of the Union comprises territory of all participant states in the treaty. The Union guarantees the inviolability of borders of member states. Furthermore, participants in the discussion of this draft deemed it unnecessary to note anything down in writing because, in other articles, a mechanism is envisaged for everything that arises in resolving these or other matters that arise.

TASS Reviews, Assesses Gorbachev Address

LD2011141691 Moscow TASS in English 1325 GMT 20 Nov 91

[By TASS correspondents from the Kremlin]

[Text] Moscow November 20 TASS—President Mikhail Gorbachev addressed the Soviet parliament today asking for permission to get a credit from the State Bank to finance the Union's budget.

Addressing a joint session of the parliament chambers Gorbachev called on it to approve an earlier credit of 63 billion rubles and transfer it to the internal debt of the Soviet Union.

Gorbachev said budget expenditures were reduced to 266.3 billion rubles against the expected 276.8 billion despite price rises. The budget deficit is caused by a decrease in industrial production and a short fall in budget revenue.

Industrial output reductions will be around 7 per cent, reductions in agriculture about 9 per cent and the national income is expected to fall by 15 per cent, Gorbachev said.

Foreign economic activity having slowed down, gave a severe blow to the country's finance. This year's exports yielded just 65 billion rubles, 31 per cent less than last year. More than 19 billion rubles have not been received as a result. Imports were reduced by 42.2 per cent amounting to 58.9 billion rubles, thereby reducing budget revenue by 13 billion rubles.

Gorbachev pointed out the Soviet budget deficit together with the economy stabilisation fund will amount to 205 billion rubles while the overall deficit, with republican budgets taken into consideration totalling 300 billion rubles.

Gorbachev said the money supply increased by 83 billion rubles instead of the planned 7 billion.

Notes Emphasis on Preserving Union

LD2011151491 Moscow TASS in English 1414 GMT 20 Nov 91

[Text] Moscow November 20 TASS—"The process of our state's disintegration, which has accelerated after the August coup, has reached the danger line and is being accompanied by a break-up of society and the economy, division into closed markets, and the severance of economic ties and, most importantly, disruption of cooperation at government levels", President Mikhail Gorbachev told a joint meeting of the Soviet parliament chambers here today, describing the state of affairs in the ex-Soviet Union.

By this estimate he prefaced the bulk of his speech which he devoted to the need to preserve a union of states.

"I am convinced that all our ideas and concepts are doomed to failure if a new Union treaty is not signed and if republics do not cooperate within the framework of the treaty," Gorbachev said.

"We should create precisely a Union state," the president said, summarising in brief the results of the "keenest", as he put it, discussion that took place on November 14 at a meeting of the USSR Council of State.

"We arrived at a conclusion that the basic provision, namely, that each republic—party to the treaty—is a sovereign state while a Union of Sovereign States is a confederative democratic state exercising authority within powers delegated to it by the parties to the treaty should remain in the draft treaty on a Union of Sovereign States, which we agreed upon on that day and which has already been sent out to republican leaders for final study and initialling.

"Representatives of republics—members of the Council of State—called for securing that the state resolves issues concerning citizenship, territory, guarantees of the inviolability of borders, common armed forces with centralised management, a coordinated foreign policy and the preservation of a single economic space," Gorbachev said.

"Agreement was reached that the centre should perform the functions of coordinating common scientific programmes, upholding the rights of the individual and ethnic minorities, coordinating common ecological programmes and bear responsibility for the economy, transport, space research, education, culture and action to combat crime," Gorbachev said.

Silayev Urges Approval of Emergency Budget

LD2011143291 Moscow TASS International Service in Russian 1313 GMT 20 Nov 91

[All figures as received]

[Text] Moscow, 20 Nov (TASS)—TASS correspondents report from the Kremlin:

Ivan Silayev, chairman of the Interstate Economic Committee, has called upon the USSR Supreme Soviet to approve the extraordinary all-Union budget for the fourth quarter, and allow the USSR State Bank to provide 30 billion [currency not specified] in credit to finance budget spending.

Speaking after USSR President Mikhail Gorbachev at a joint session of the chambers of the all-Union parliament today, Ivan Silayev stressed that the need to provide credit for all-Union budget spending arises from a sharp fall in income. He announced that this year's budget income will be 113 billion rubles [R] instead of R250 billion as planned. Spending has been cut by R10.5 billion by comparison with what was planned, Ivan Silayev stressed, noting that it will amount to R266.3 billion.

The budget receipts will be short by 42 billion because of a fall in production, 40 billion because of a reduction in profit taxation, and 47 billion because of the failure of republics to fulfill pledges which they had made previously, Ivan Silayev stated.

He stressed that the Interstate Economic Committee has reduced its budget spending as much as it could. However, without credit from the USSR State Bank, it will be impossible to finance social spending, defense spending, and centralized programs, including the Chernobyl and Aral programs.

States To Initial Union Treaty 'Next Week'

LD1911123191 Moscow TASS International Service in Russian 1155 GMT 19 Nov 91

[By TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 19 Nov (TASS)—Leaders of the sovereign states will initial the new Union treaty in Moscow next week, probably on 25 November. Konstantin Lubenchenko, chairman of the Soviet of the Union, stated this at today's session of this chamber of the USSR Supreme Soviet today.

Konstantin Lubenchenko further reported that representatives of the chambers are acquainted with the content of this document and heard the USSR president's explanations regarding individual articles within it during a conversation which took place with Mikhail Gorbachev yesterday. "It is proposed," the chairman of the chamber added, "that the Supreme Soviet will consider the treaty after it has been initialled." Mikhail Gorbachev and Ivan Silayev, as well as chairmen of the USSR Supreme Soviet chambers, will take part in this process on behalf of the union structures, Konstantin Lubenchenko said.

The chairman of the chamber made it clear that the right to ratify the new Union treaty will belong exclusively to the former Union republics, which are now sovereign states.

Official Notes Expectations Concerning Budget

OW1911171791 Moscow INTERFAX in English 1510 GMT 19 Nov 91

[Transmitted via KYODO]

[Text] Aleksey Levashov, member of the Budget and Finances Committee of the Supreme Soviet's Council of the Union, told IF's [INTERFAX] correspondent that when considering the country's emergency budget for the 4th quarter of this year MPs [members of parliament] are expected to link it to reforms proclaimed in Russia, such as: economy in all respects, sharp cuts in all government spending and endeavors to put in order the mechanism of fundings the USSR government.

The drafts of emergency budget have already been submitted by the government to Supreme Soviet committees and commissions, said Levashov.

According to Aleksey Levashov, the central leadership's steps in the area of finances: the central government's requests for more credits to the finance ministry which will entail an abundant money emission, run counter to the policy of financial recovery envisaged by reforms in Russia.

Political & Social

Gorbachev Begins Working Visit to Irkutsk 20 Nov

Anticipates 'Difficult Decisions'

LD2011214191 Moscow All-Union Radio First Program Radio-1 Network in Russian 2000 GMT 20 Nov 91

[Text] USSR President Mikhail Gorbachev left Moscow today for the eastern regions of the country. He intends to visit Irkutsk and Bishkek, the capital of Kyrgyzstan. Our special correspondent Yuliy Semenov is accompanying him. He filed his first report on board the president's aircraft while heading toward Irkutsk. A meeting with journalists was held.

Mikhail Sergeyevich said in particular that because we are now on the eve of making difficult decisions, it is very important to hear what people think. The conversation is going to be very difficult. A lot of bitterness will come out, but it is impossible to avoid it. Social problems, questions of conversion, ecology, and many other questions will confront the president in Irkutsk.

Interviewed En Route

LD2111123691 Moscow Central Television First Program Network in Russian 2208 GMT 20 Nov 91

[Video report by special correspondent S. Slipchenko, including recorded interview with USSR President Mikhail Gorbachev by unidentified correspondent on board his plane between Moscow and Irkutsk on 20 November; from the "Television News Service" program presented by Marina Nazarova]

[Text] [Nazarova] Mikhail Gorbachev, the president of the country, has arrived in Irkutsk. Here is a report by our special correspondents:

[Slipchenko] All the plans for the president's stay in Irkutsk were discussed at a height of 10,000 meters. The program was amended, and immediately agreed upon, with the ground. The trip must not be a ritual. Correspondents spent about two hours talking to Mikhail Gorbachev. The topics were the party, the appointment of Shevardnadze, details of the discussion on the Novo-Ogarevo agreement, and the Foros story. All these will be subjects of programs about the work of the president. But now, halfway to our destination, we asked what the aims of his trip to Irkutsk at this time were.

[Gorbachev] I want to understand how people are feeling, what their attitude on this is. If one is to talk about life, I am aware of it, and I know that people will say a lot of bitter things to us, a lot of hurtful things.

[Correspondent] This is an old question.

[Gorbachev] Yes. Politicians have no right to avoid this, they have no right to do so, because people are living in very difficult circumstances both as far as their morale is concerned and their mores, and socially, and I would say politically, too. I would therefore say that the trip is to listen to people, what they think, how they reason, what they say.

[Correspondent] A year ago, at the Nizhniy Tagil combine, when I asked you....

[Gorbachev, interrupting] Where?

[Correspondent] At the Nizhniy Tagil combine. You remember going there?

[Gorbachev] Oh yes, yes, yes.

[Correspondent] I asked about the credit of trust. A year has gone by. More than a year has gone by since then. What do you think? Has the credit run out? It seems as though it has. What now?

[Gorbachev] It's difficult for me to judge this question for myself, you know; it's a niggling question, and not a simple one. I'd like to say just one thing. I would like us to get both the trust and the support of our people now, at this very difficult time of transition. It isn't so simple. After all, for the third time we are repeating one and the same stupidity, a major stupidity affecting precisely the most painful aspect of people's life—the market. Throughout the world, if a decision is made to change over to new prices, these are announced 24 hours in advance at the most, 12 hours in advance, or three hours in advance in some cases, or they do not announce it at all—no warning is given. They announce it right away, in the morning, and these prices are introduced. To begin with, we said... [pauses] what?

[Correspondent, interrupting] Ryzhkov did it first.

[Gorbachev] To start with, they said in May or in April. And there were several months. They destroyed the very.... [changes thought] They went as far as Pavlov. They recognized everything. They signed the economic agreement in January.

[Correspondent] And they announced it.

[Gorbachev] And they dragged it out until April; they finally got the market. Now we have once again said that we are allowing prices to go free. And there's been a sell-out.

[Slipchenko] During the conversation, Mikhail Sergeyevich was called to the telephone. Bakatin was on the line. It turned out to be tragic news, and the journalists heard about it immediately, so that there could be no false rumors at the very start of the investigation:

[Gorbachev] A helicopter has crashed in Nagorno-Karabakh. It was carrying 23 people, including Tofik Ismailov, a state secretary and USSR people's deputy, a state secretary of Azerbaijan; Dzhafarov, a people's deputy; several other deputies; representatives of Kazakhstan and Russia, the Ministry of Internal Affairs, the Nagorno-Karabakh commandatura—23 people, in fact. But the information is as follows, according to Bakatin. There was a report from the commander of the helicopter—he was able to maintain communications the whole time—that there was thick fog; he couldn't see anything. Then communications were lost, and they discovered it crashed. The main thing is that everyone should be given accurate information, in the country and in the world, so that.... [changes thought] Something serious has happened, but such a mishap is an accident, so political speculators cannot make use of it, so to speak.

[Slipchenko] It is already the 21st in Irkutsk now. Today is a difficult day.

[Nazarova] Mikhail Sergeyevich expressed sincere condolences to the relatives and friends of those who died in the air crash.

Busy Agenda Cited

LD2011224991 Moscow TASS in English 2237 GMT 20 Nov 91

[By TASS correspondents Boris Grishchenko and Vladimir Khots]

[Text] Irkutsk November 21 TASS—Soviet President Mikhail Gorbachev arrived in Irkutsk today to meet local residents and learn about their opinion of the progress of economic and political reforms.

"There is no time now for long speeches. The major task is to win people's confidence at a difficult stage of transformations," Gorbachev told correspondents aboard the plane.

That is why the usual formalities, connected with such visits, have been minimized. The president has planned his program of stay so that within two days visit schools [as received], shops and hospitals, meet workers, veterans, soldiers, people's deputies of all levels and discuss global problems with scientists.

Gorbachev is expected to first visit the Irkutsk aviation construction amalgamation, a major plant of the defense-production complex, which is now being conversed. [as received]

Visit Called Unexpected

PM2111113191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Nov 91 p 3

[Correspondent N. Savelyev report: "Siberia Is Not Expecting M. Gorbachev"]

[Text] Irkutsk—Siberians learned of Gorbachev's coming trip to Irkutsk from KOMSOMOLSKAYA PRAVDA. The local press and television are still keeping quiet. There is slight embarrassment at the House of the Soviets.

On their arrival the day before, the presidential team's advance party drew up a rough schedule. Today sees a visit to an aviation plant and to stores. And in the evening there is to be a meeting with enterprise leaders.

Here is an important addition: The city is leading its normal half-starved life. No one has been drafted to clean and clear up the streets.

Begins Local Meetings

LD2111065391 Moscow All-Union Radio Mayak Network in Russian 0513 GMT 21 Nov 91

[Excerpts] As we have already reported, USSR President Mikhail Gorbachev arrived in Irkutsk yesterday. My colleague, our correspondent Yuliy Semenov, will cover the president's visit, and he is on the line now. Since the day is well under way already in Irkutsk, as I understand, we are expecting details from you, colleague.

[Semenov] Let me say good morning to listeners in the western regions of the country, the European part, although in Irkutsk it is already noon or 1300. [passage omitted]

Now, to business. In the morning, the president and all those accompanying him went to a school. To a certain extent, this can be considered improvised. I asked about it, and the pupils and teachers found out only this morning that the president was coming to see them. I told you yesterday from on board the presidential aircraft that the itinerary had been amended to take in more places directly connected with people's everyday lives. [passage omitted]

I spoke to youngsters from the 10th grade after Mikhail Sergeyevich had moved on. They had had a fairly serious conversation. The children had had something to say themselves. They had talked about the problems of crime, about social difficulties, about the need for the school to have a plot of land, say, and some things like that.

Then there was a frank conversation with a group of teachers. They talked, in particular, about the new forms of teaching which the school is trying out, the problems of building schools and teachers' working conditions. Also, as usually happens, when Mikhail Sergeyevich left the school he was surrounded by residents of the district, and they had a conversation about everyday matters, concerning the most basic and painful points. [passage omitted]

Now, while I am in the Irkutsk radio building, the president is meeting Irkutsk aircraft builders, he is at the Irkutsk aircraft works. As he told us yesterday, he believes that his main purpose here is, naturally, to find out the workers' mood, to have a serious chat with them about how we are living and how we shall live in the future, and to find out something about the specific situation regarding conversion at this works.

Then it is planned to visit some shops, including one of the private shops here, and a pediatric center. Evidently, there will be a special meeting with labor and war veterans, and a serious discussion with deputies of all levels is expected at the end of the day. As Mikhail Sergeyevich stressed yesterday in his conversation with journalists, this time he is setting himself the task of talking less himself, and listening more to people. I am traveling without any prepared speeches, he said. [passage omitted]

Stresses Listening to People

LD2111093891 Moscow TASS in English 0854 GMT 21 Nov 91

[By TASS correspondent Boris Gerashchenko and Vladimir Khody]

[Text] Irkutsk November 21 TASS—Soviet President Mikhail Gorbachev told journalists he has come to Irkutsk not to preach policy but to listen to the people.

"I will listen to what people say. It's not the time for long speeches," he said on board his plane en route to Irkutsk, Siberia, on Wednesday [20 November].

The Soviet leader is under no illusions. "I know people will tell me many bitter things. Their life is not easy," Gorbachev said.

He said he is worried that reforms are being slowed down as they lack an efficient political basis.

Gorbachev said he will remain adherent to his goal of creating a union of sovereign states and is ready to sacrifice his post as the country's president in an effort to realise his ideal.

He said they spent two and a half hours in Novo-Ogarevo discussing whether it's going to be a Union or a Union state.

"I can't recall any other such intensive discussion over the past six years of my work," Gorbachev said.

"There are boundaries which I will never exceed, carrying out my reforms. These boundaries will be drawn where the division begins, or to be more precise, the disintegration, of the country, which will eventually lead to its full collapse. We need a Union state as a superstructure, which at this stage could cooperate with sovereign states and act effectively and boldly. This is vital for reforms," Gorbachev said.

Gorbachev Presents Shevardnadze to Collegium

PM2111090391 Moscow TRUD in Russian 21 Nov 91 p 3

[Report by TASS correspondent G. Shmelev specially for TRUD: "E. Shevardnadze Takes Up Office"]

[Text] USSR President Mikhail Gorbachev presented the new leader of the USSR Ministry of External Relations, Eduard Shevardnadze, to a session of this department's collegium. Speaking at the collegium, Mikhail Gorbachev noted that the last session of the USSR State Council had decided to set up a new department—the Ministry of External Relations—which would be given the functions of the USSR Foreign Ministry and the USSR Ministry of Foreign Economic Relations.

"We have come to profoundly realize this department's important role in our country's life since it is today a question of creating a new state structure and of a new role for the republics," the USSR president pointed out. "I want to stress that there is no question of our foreign-policy course's changing; it is by no means changing, but is being enriched in view of current realities and the changes that are taking place."

Mikhail Gorbachev pointed out that Eduard Shevardnadze was appointed head of the USSR Ministry of External Relations "on the basis of the loftiest considerations, in view of his tremendous potential and possibilities which will undoubtedly be used in the matter of transforming Soviet society and for the state's activity on a new footing." The USSR president noted that he values highly Eduard Shevardnadze's assent at this difficult time for the country. "Our relations with Eduard Shevardnadze have been through difficult trials—and I don't hide that fact—but we have put all these accretions behind us and I respect his position."

At the same time the USSR president voiced a high opinion of the tremendous positive contribution made by outgoing Foreign Minister Boris Pankin to the work of the USSR Foreign Ministry despite his short time as head of this department and he particularly underlined the importance of Boris Pankin's activity during the events of August.

Mikhail Gorbachev said that Boris Pankin was offered the post of USSR presidential state counselor, but that he wanted to "work independently in the field of diplomacy." Boris Pankin has been appointed USSR ambassador to London and has also been made a member of the USSR presidential Political Consultative Council.

Speaking at the collegium, Eduard Shevardnadze expressed his profound gratitude and thanks to the president for the trust accorded him at this highly difficult time for the country. "I am very happy that I can be of use to the president and my country's people." Eduard Shevardnadze said. He noted that he is fully aware of his responsibilities since a new department is in effect being set up with new functions and tasks and he counts on the USSR president's unswerving support and assistance in his work. He also voiced the hope that the period of transition in the life of the ministry would be "painless."

Eduard Shevardnadze thanked Boris Pankin for his work as head of the USSR Foreign Ministry, stressing that the first thing that Boris Pankin had done on learning of his appointment had been to suggest "forming a twosome to successfully tackle the tasks facing the department." In an answering speech Boris Pankin pointed out that he was appointed head of the ministry during the "dramatic days in August and he saw his tasks in this post as being to develop the processes of democratizing and humanizing society." He expressed his sincere thanks to the USSR president for his high opinion of his activity, for his understanding of his position, and for promptly resolving the question [za operativnoye resheniye voprosa] of his appointment as the USSR's plenipotentiary representative to Britain.

'Stabilizing Role' Expected

OW2011191591 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] President Mikhail Gorbachev has explained the re-appointment of Eduard Shevardnadze as head of the Ministry for Foreign Relations by a need to keep up "the former stabilizing role of this country on the international scene." The President's words at the ministry's Collegium on Wednesday [20 November] were quoted at the briefing of the information department by its chief Vitaliy Churkin.

Further he said that E. Shevardnadze thanked M. Gorbachev for high trust. More thanks were expressed by Boris Pankin appointed ambassador to Britain.

The reorganization will leave about a third of the former Foreign Ministry redundant, as stated earlier by B. Pankin.

Replying to INTERFAX on what's to be done with the ambassadors who supported the August coup Churkin said those who felt guilty had already resigned or retired.

Shevardnadze Grants Interviews on Reappointment

Gives 'Somber' Predictions

PM2011223591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Nov 91 p 1

[Interview with E.A. Shevardnadze by St. Kucher; place and date not given—"Eduard Shevardnadze: 'I Am Afraid a Disillusioned People Will Take to the Streets'"]

[Text] "Just don't ask me why I left then or why I am returning now." This is what I read in Shevardnadze's eyes and I decided not to ask that question. He himself has already said quite a lot about what he went through during those days and how—both in his book and in countless interviews. Why has he returned now? Because he left then to join people who thought like him and now, after August 1991, he is coming back to them.

[Kucher] Eduard Amvrosiyevich, just a few days ago I was talking with your aide, Sergey Stepanenko, about the rumors of your forthcoming appointment, and he remarked diplomatically that he had not discussed that question with you. How did you learn of your appointment and when?

[Shevardnadze] About three weeks ago I had a personal meeting with Mikhail Sergeyevich. Of course, at that time we still had not come to a final decision. Then I considered and analyzed the situation and eventually agreed, bearing in mind that at this stage, when we were in a political and economic crisis, if a man can do something useful he has no right to stand aside.... Whom did I consult? First of all, of course, members of my family. To tell you the truth, we found the joint decision very difficult. I also talked a lot with my best friends—my aides Teymuraz Mamaladze and Sergey Stepanenko.

[Kucher] How will your relations with Gorbachev develop? After all, quite recently, in December 1990, you were effectively on different sides of the barricade from him, were you not?

[Shevardnadze] I have thought about that a great deal, too. I had many disagreements with the president, but times have changed now. I think that since the August events he has drawn correct conclusions and finally turned toward the defenders of democracy. As for cadre reorganizations in the government, you will surely have noticed that these are not simply words but practical policy. Russia is headed by President Yeltsin and the mayors of the country's leading cities are people from democratic platforms.

[Kucher] A year ago you resigned, warning about the approaching coup. Now various dates for a possible new coup are being mentioned, in particular 5 March—the date of Stalin's death. Does political intuition not suggest anything to you on this score?

[Shevardnadze] On the whole my predictions are somber. There is very high social tension in the country, the economy is in a lamentable state. I am worried. I am simply afraid that a disillusioned people may take to the streets with new slogans, but as for who will head the crowd, that is another question. I do not know whether this will be in March or in April. Perhaps it will not happen at all, but such a threat really exists. In that connection I agreed to head the ministry to do something, however small, to help Soviet people and my fellow countrymen.

[Kucher] ...as foreign minister?

[Shevardnadze] Yes, because the new ministry will also work on economic problems and financial questions.

[Kucher] How do you intend to develop relations with the former republics of the USSR that are now separate state formations?

[Shevardnadze] I think the appearance of new states on the Union map is a perfectly objective process. It could have been deliberately slowed down, different names could have been used, but it was inevitable and is proceeding according to all the objective laws governing the development of human civilization. What are my plans in such a difficult situation? One of the first steps will be to visit all the capitals of the sovereign states and republics—both those that sign the Union treaty and those that do not; to meet the presidents, leaders of governments, and my counterparts—the foreign ministers—and define our relations and foreign policy priorities.

[Kucher] Eduard Amvrosiyevich, how do you appraise the latest transformations in the structure of foreign policy departments effected by your Russian counterpart Andrey Kozyrev? It would be nice to hope your relations will not turn into a political and personal rivalry, something like a "Gorbachev-Yeltsin" situation.

[Shevardnadze] I have already agreed to a personal meeting with Kozyrev. I have met him before, and I also spoke on this subject with Boris Nikolayevich Yeltsin prior to my appointment. Kozyrev and I understand each other well and I do not think we will encounter any problems. We must find a common language. I have known Andrey for a long time. He is a very capable person, he was considered a very promising official even while he was young, we helped his advancement, and our relations have always been good and respectful.

[Kucher] What do you think, will you find it more complex to reorganize the Ministry of Foreign Affairs than in 1985, following Gromyko's departure?

[Shevardnadze] The situation is more complex now—the country is down in the dumps. Regarding cadre relations, I do not expect any obstacles or misunderstandings from my colleagues. Our problems will rather concern running the country and the organization of relations with the republics.

[Kucher] Pardon this question, but right now I have already had occasion to hear people's skeptical remarks in the streets: That which has happened once can be repeated. Is yet another resignation possible under certain fresh circumstances?

[Shevardnadze] Resignations are of no use now. Not to be where the situation is difficult now—such behavior would run contrary to my moral principles.

Calls Situation 'More Complex'

PM2011164291 Moscow IZVESTIYA in Russian 21 Nov 91 Union Edition pp 1-2

[Report by IZVESTIYA diplomatic correspondent M. Yusin on interview with Eduard Shevardnadze by Yusin and unidentified INTERFAX correspondent in Moscow on 20 November: "Eduard Shevardnadze: The Most Difficult Period in My Life May Be Beginning. First Interview on His Return to Smolensk Square"]

[Text] On the evening of 19 November, Mikhail Gorbachev signed a decree appointing Eduard Shevardnadze Union minister of external relations. And so, 11 months after his sensational speech at the Congress of People's Deputies and the resignation that shook the world, the former foreign minister is back in Smolensk Square—at the ministry which since then not only has changed its leaders twice, but also its name, becoming the Ministry of External Relations.

Shevardnadze is taking on an enormous burden. Henceforth he will have to formulate, implement, and coordinate the foreign policy of a state that has no name (the abbreviation USS [SSG—Union of Sovereign States] is not catching on) and no clear-cut status. A REUTER commentator likened Shevardnadze's new appointment to being the first mate on the Titanic. Icebergs and reefs lie in wait at every step.

What motives lie behind this appointment? As far as Gorbachev is concerned, it is more or less clear. Foreign policy is one of the few remaining spheres to which his competence extends. Boris Pankin, despite all the respect for him, was not a political figure of a sufficient scale to give the necessary weight to the country's foreign policy. Shevardnadze was better suited than anyone to this role.

It is much more difficult to understand the considerations motivating Shevardnadze himself to agree to take on this excessive burden. That question launched the first interview after his appointment, an interview granted by the minister to the correspondents of IZVESTIYA and INTERFAX in his office in the Foreign Policy Association building on the morning of 20 November.

"Gorbachev put this proposal to me for the first time a few weeks ago," Shevardnadze said. "I thought about it for a long time, realizing what a crucial step it is to return to the Foreign Ministry. On 19 November, I had another talk with the president. I consented. A stage has arrived in the country's life where there is no alternative. Everyone who considers himself a supporter of democracy must define his position. In the days of August, the democrats proved to the people that they are capable of defending freedom. Now the situation is even more complex. It is necessary to save democracy and the country. Like in August, we are at the barricades again. I am not exaggerating when I say that we have to save not only the country, but the world—because an unstable Soviet Union is a terrible threat to the planet's security."

Shevardnadze is well aware what tough tests await him in his new post. "The most difficult period in my life may be beginning. But I am going into it consciously: If a politician is afraid of his own shadow and thinks only about his own well-being, he is no politician."

In September of this year Shevardnadze turned down Gorbachev's proposal to join the Security Council and let it be known that he could not work with the president. Today, to all appearances, he has changed his mind about Gorbachev. "Since August, the president has drawn important conclusions. His turn toward democracy is, I think, final. In these circumstances I deemed it possible to work with him."

After Gorbachev's first proposal that he return to the Foreign Ministry, Shevardnadze consulted with Yeltsin in detail. "We had a very good talk. Boris Nikolayevich received the idea of my appointment enthusiastically. We agreed that we would continue to maintain close contacts. There can be no Union foreign policy without Russia. I hope that our cooperation with the republic's leadership, with its Foreign Ministry, and with Andrey Kozyrev will be fruitful."

One of the first actions Shevardnadze will take in his new post will be to visit the capitals of the former Soviet republics. "I want to meet with the republic leaders and the leaders of foreign policy departments. It is important to discuss foreign policy problems and coordinate our actions in the international arena."

Possibly the most important task for Shevardnadze as head of the Ministry of External Relations will be the coordination of the republics' foreign policy. "The situation today is different from what it was a year ago, when I left the Foreign Ministry. A new, confederal state, a Union of states, is being formed. I feel that I can be useful and make my contribution to this difficult process."

The republic capitals that Shevardnadze plans to visit will not, in all probability, include Tbilisi. "President Gamsakhurdia was categorically opposed to my going to Georgia and acting as intermediary in his talks with the opposition. He is hardly likely to want to deal with me now. I don't want to thrust myself upon him." At the same time Shevardnadze reaffirmed that he is ready for dialogue with everyone, including his most implacable opponents within the country. "I am open to discussion even with those who hate me, who see me as the main culprit responsible for the disintegration of the socialist community and the unification of Germany and accuse me of all the deadly sins."

The now ex-minister Boris Pankin, Shevardnadze said, "did much useful work in a short time and played an important part in formulating the concept of a new, unified ministry." Incidentally, the idea of merging the Foreign Ministry and the Ministry of Foreign Economic Relations was first put forward by Shevardnadze himself in the first days after the suppression of the putsch. At that time it did not meet with support.

As for another former foreign minister—Aleksandr Bessmertnykh—to all appearances he will stay in the foreign policy association, where he has founded the Center for Political Analysis, and will not return to Smolensk Square.

Shevardnadze expressed confidence that the planned cuts in the ministry's manning levels (by 46 percent) will not affect the effectiveness of its activity. He intends to preserve the backbone of both ministries—the Foreign Ministry and the Ministry of Foreign Economic Relations: "Irreplaceable specialists work there. The country's foreign policy cannot be implemented without them."

In the afternoon of 20 November, Shevardnadze set off for Smolensk Square, where, in accordance with established etiquette, President Gorbachev is to "present" him to the ministry staffers. After that, Shevardnadze will move into his office on the seventh floor and will take over from Boris Pankin—the new Soviet ambassador to London.

The first diplomatic contacts already have taken place. Late Tuesday evening, the minister had a call from his "old friend and partner" James Baker, the U.S. secretary of state. The conversation lasted half an hour. Eduard Shevardnadze is settling into the old and fortunately unforgotten routine as head of the diplomatic department of a vast state.

Discusses Ministry Priorities

OW2011201891 Moscow INTERFAX in English 1755 GMT 20 Nov 91

[Report by Mikhail Mayorov and Igor Porshnev from "Diplomatic Panorama;" transmitted via KYODO]

[Text] Following his appointment to the post of the USSR minister of foreign relations, Eduard Shevardnadze gave an interview to INTERFAX and IZVESTIA.

The Motives

Asked about the motives which urged him to accept his new appointments, Mr. Shevardnadze said: "At the present stage there is no other way." This move was motivated by the desire to promote the formation of law-based states, he added. He also said that the situation in the USSR was even more complicated than before the August events. "We must take our place on the barricades to save the world," said Mr Shevardnadze. "An unstable Soviet Union is the worst threat to the whole of mankind," he remarked.

Mr Shevardnadze said that he was entering the most dramatic and important period in his life. "This step is extremely risky," he noted. "But if a politician is afraid of his own shadow and is only concerned about his own future, he is not a politician. We must take our places on the barricades and help our long-suffering people to overcome the grave crisis within the next few months. Tears fill my eyes when I see all these queues and everything that is happening around," said Mr Shevardnadze. He also expressed hope that in his new capacity he would be useful for his compatriots.

Eduard Shevardnadze's Opinion of Mikhail Gorbachev

The most important thing now is to save democracy, said Mr Shevardnadze. He described the August events as a tragedy which had foiled the signing of the Union treaty. He also said that after those events Mikhail Gorbachev "made his final choice in favour democracy." It was not easy for the president to make that choice," said Eduard Shevardnadze. He also remarked that once that choice had been made, he found it possible to rejoin Gorbachev's team to make it stronger.

Priorities

Mr Shevardnadze said that he would pursue a new policy in relation to the sovereign republics—a policy based on the fundamental principles of the new political thinking which "does not require any revision". To begin with, the community's foreign policy priorities should be defined, said Mr Shevardnadze. With this end in view, he will shortly visit all the republics of the former Union for substantive consultations with their leaders and foreign ministers. Obviously, the only exception will be Georgia, as Georgian President Zviad Gamsakhurdia opposed Eduard Shevardnadze's visit to that republic. Mr Shevardnadze said, however, that he would do everything in his power to be useful even for the republics which would refuse to sign the political treaty. He said he would try to find a common language with everyone. "I think I will be able to do so," he said. He also noted that he would welcome dialogue with all, including those who hate and accuse him of "destroying the socialist system."

The Functions of the Ministry of Foreign Relations

Mr Shevardnadze said that in view of the ministry's new functions, he will have to lay stronger emphasis on economic cooperation with all countries. "This is what our country needs," he said. He also noted that the ministry's staff and leader have been given a certain amount of trust. "I will try to use it in the world arena in the interests of our people who are going through a time of trials," he said.

Very much depends on our skill to deal with our Western and other economic partners, he said. We will have to choose foreign-policy and economic priorities that would meet the interests of every sovereign state and of the community as a whole, he added.

Mr Shevardnadze also noted that the decision to cut down the personnel of the USSR Foreign Ministry and Ministry of Foreign Economic Relations had been taken and would hardly be reversed. He said he was not involved in drafting the reorganization proposals, although it was he who had proposed merging these ministries. Mr Shevardnadze expressed confidence that the nucleus of the USSR Foreign Ministry's staff would stay. "I will also try to ensure that the highly-skilled personnel of the Ministry of Foreign Trade and of the Ministry of Foreign Economic Relations do not lose their jobs," he said. Without them, he added, it is impossible to trade with foreign countries. He said that he would like the sovereign states to look at the Ministry of Foreign Relations as their "friend and assistant in the complicated process of shaping a state system within the framework of the community."

Assessing Boris Pankin's Work

Mr Shevardnadze said that as foreign minister Boris Pankin had "done very useful work." Among his assets is work at the UN General Assembly and at the Madrid Conference on the Middle East, and his participation in drafting the concept of a unified Ministry of Foreign Relations. "I think his work was very useful and was done at a worthy level," he said. In his opinion, Boris Pankin's appointment to the post of ambassador to London and his inclusion in the USSR president's Political Consultation Council "gives him an opportunity to play a key role in implementing the country's foreign policy."

How the Appointment Came About

Eduard Shevardnadze said that Mikhail Gorbachev had offered him the post of minister of foreign relations about a month before. Subsequently, he had a substantive discussion with Boris Yeltsin, who welcomed his possible appointment. Incidentally, Gorbachev decided to offer Shevardnadze this post following consultations with Boris Yeltsin. After a deep analysis, Mr Shevardnadze came to the conclusion that "he had no right to stay on the sidelines of the stabilization process."

Mr. Shevardnadze expressed confidence that cooperation with President Yeltsin, the Russian Federation's Foreign Minister Andrey Kozyrev and other leaders of the republic would be successful. "Without Russia there can be no talk about a serious foreign policy," he said.

The Movement for Democratic Reforms

In Eduard Shevardnadze's opinion, the movement has done a great deal of work. On December 14 and 15 it will hold its congress. It has branches in almost all of the republics. "I do not doubt that this movement will become an influential political force," he noted. He also said that although his new appointment would considerably limit his involvement in the movement, he would not like "to withdraw from it."

The Foreign Policy Association

Mr Shevardnadze believes that the Soviet Foreign Policy Association which he is heading can remain independent if the founders want it to be so. He said however, that "he would be glad if it were at least partially oriented to the Ministry of Foreign Relations." In his opinion, the Association "could become a unique organization."

Aleksandr Bessmertnykh

Mr Shevardnadze described the former Foreign Minister Aleksandr Bessmertnykh as a brilliant diplomat with an analytical mind. However, asked if Mr Bessmertnykh would return to the ministry, he gave to understand that such a prospect was unlikely. Mr Bessmertnykh heads the Association's Political Analysis Centre. "This is very important work for the Association, for the Ministry of Foreign Relations and for the state as a whole," he said.

Talks With Lithuania

Asked about his possible successor as the leader of the Soviet delegation to the talks with Lithuania, Mr Shevardnadze said that it was most proper for the minister of foreign relations to hold such talks. However, the final word will be said by the president, he said.

The West

Mr Shevardnadze said that after the president's decree was announced, US Secretary of State, Mr James Baker, phoned to him. "That was an excellent conversation which lasted for about 30 minutes," he said. Mikhail Gorbachev told Mr Shevardnadze that his appointment had been "warmly welcomed" by British Prime Minister John Major. Eduard Shevardnadze's telephone conversations with many of his colleagues have been scheduled for today.

Views Situation, UN Vacancy

LD2011231391 Moscow Russian Television Network in Russian 1821 GMT 20 Nov 91

[Interview with USSR Minister for External Affairs Eduard Shevardnadze with unidentified correspondent; place and date not given; from the "Vesti" program—live or recorded]

[Text] [Correspondent] I do not know, to be quite honest, whether to congratulate you or to express sympathy now.

[Shevardnadze] Everything is unusual now, and the times are unusual, so it is very difficult. I will say one thing—that a time has now started, and we find ourselves at a stage when every true democrat devoted to the ideals of democracy must take a place at the barricades. That is the sort of time it is now.

[Correspondent] Why did you for so long deny the possibility of occupying a ministerial position, yet you have agreed to it now?

[Shevardnadze] Well, in order to answer that question, it is evidently necessary to turn it around somewhat: Why did I resign? I am very often asked that question as well. I think that I did the right thing. To some extent, that act promoted the unity of the democratic forces and the forces for reform, and the warning was a timely one. But, as for everything that happened subsequently, I busied myself with necessary matters—both in the association and in the Democratic Reform Movement, on which I pin great hopes. It is developing and becoming an increasingly prominent force. I have busied myself with other problems, as it were, but now, it seems to me, we have reached the most difficult stage—the most difficult, the most crisis-ridden—and I do not think that I have the moral right to remain on the sidelines now. I used the word barricades advisedly. It seems to me, and I want to believe that I am not mistaken, that the fashioning of a new formation is taking place—a new formation.

The recent Novo-Ogarevo meeting was of great significance, and everything that is embodied in the draft, the draft of the future agreement, if it is retained, then the new formation will be quite sound, with serious functions, those of a federal state. Naturally, the Ministry of External Relations will occupy its place, and not a secondary one, in that state.

[Correspondent] Eduard Amvrosiyevich, your statement 11 months ago about the coming dictatorship—was it intuition based on knowledge, or was it concrete information?

[Shevardnadze] It was mainly my analysis, an analysis of the situation within the country, an analysis of the balance of forces, and I think that that analysis and the conclusions that I drew were correct.

[Correspondent] What about your attitude, now that you are in your new post, towards possible sanctions, and those that are already being applied, against Yugoslavia, and towards possible sanctions that may be applied in accordance with a Security Council decision?

[Shevardnadze] I must think everything through, taking account of the new situation, but perhaps it is not a totally well-founded opinion. Well, I have little faith in all these sanctions. I think that not all the possibilities of mediation and goodwill, as it were, have been exhausted—not all of them. As for sanctions, I look skeptically on these sanctions, in general, because it has been 10 years since sanctions were declared against South Africa. And has the country perished? They came to conclusions by themselves, not because of sanctions.... They came to the conclusion by themselves that apartheid had to be dismantled. Sanctions just embitter people and give rise to opposition. That is my personal attitude.

[Correspondent] Do you see, in general, any kind of resolution of interethnic conflicts, and not just in Yugoslavia, but in our country, too? There are very many of them now, unfortunately.

[Shevardnadze] I mean to work seriously on the problems of conflicts. There is a science called conflict studies. It is, so to speak, a new one.

I even want—this is the first time that I am stating it publicly—I even want to set up a fund, a substantial fund, and call on our public to take part in the formation of such a fund, and on the basis of this fund to create a real center, attracting major politicians, military chiefs, public figures, and representatives of different nations and nationalities and attracting famous foreign politicians and public figures. It seems to me that such a fund, with such a structure and institution, would be of great importance. We would be engaged definitely on a scientific basis and engaged seriously, thoroughly, and fundamentally on all the problems and everything at present linked to conflicts on an ethnic basis and arising for other reasons. I think that this is a very necessary and urgent matter.

[Correspondent] Whom do you see as succeeding you as leader of the Foreign Policy Association?

[Shevardnadze] I have not formed an opinion yet. I have not had time to do so. There are many worthy people. The main thing is that I wish to express my satisfaction over the fact that the association is being formed and several centers have already been formed. I very much hope that the association will become a think tank. Perhaps to some extent, it will be oriented towards the Ministry of External Relations. If the founders want this, we shall naturally cooperate.

[Correspondent] Soon the post of UN secretary general will be vacant. There have been many rumors that Eduard Amvrosiyevich Shevardnadze is one of the possible contenders for this post. What is your attitude toward this post and the possibility of your occupying it?

[Shevardnadze] I know that there have been rumors, and it has not just been rumors. In certain circles this matter was being considered seriously. Some of my former colleagues have even sounded me out and spoken with me. We consider and I consider that the main issue and the main problem for the world community at present is the stability of our country. Even the UN cannot cope with an unstable Soviet Union. Therefore, if anything useful can be done, it needs to be done here in Moscow, in our country, in our republics and in our sovereign states, as we call them.

I want to thank your program. Even in the most difficult days, when things were already overcast, so to speak, and I was almost being boycotted, your program was always favorably disposed. Let me say thank you.

[Correspondent] We try to be on the side of honest individuals. Thank you.

Stresses Need for Stability

LD2011175491 Helsinki Suomen Yleisradio Network in Finnish 1600 GMT 20 Nov 91

[By reporter Jyrki Saarikoski from Moscow—broadcast in progress]

[Text] ...The foreign minister says further that a return to totalitarianism is possible.

First, the supporters of the totalitarian system and coup were not few. These people are still living in our midst, Shevardnadze reminds. He also refers to the long lines in Moscow and to the fact that increasing social tension may lead to unpredictable consequences.

Shevardnadze thinks that the situation now may be more dangerous than before the coup. The threat of harsh measures may be increased by the dissatisfaction felt by the troops, although Shevardnadze does not say this outright. The officers blame him for the miserable conditions that many of those returning from Eastern Europe have to accept. When asked about bringing home the troops from the Baltic states, Shevardnadze says that the timetable depends on how soon the material conditions for their return can be prepared, including the schools and kindergartens needed by the families.

All in all, the most important task now is to stabilize society, Shevardnadze believes. He says that the radical economic reform is already two or three years late, and at least it would have been necessary to act immediately after the coup was suppressed. Shevardnadze says that Moscow is late also regarding economic relations with the West. There are still laws in force that obstruct and hinder foreign investment. As foreign minister, Shevardnadze promises to try to create more favorable conditions for investments, which he regards as the most significant aid.

Although the Soviet Foreign Ministry is only a shadow of its former self, Shevardnadze does not consider a uniform foreign policy an impossibility. Humbly, he says that his task is to create relationships with the leaders of the republics in order that the country can again a uniform line in the international arena. Shevardnadze emphasizes integration and says that when the first flush is over, it also is necessary to remember that one has to live tomorrow.

President Mikhail Gorbachev, who reappointed Shevardnadze as foreign minister, spoke in a similar tone today when he frightened parliament by mentioning the threat of economic and political chaos. Gorbachev said that if the budget and the economic union of the 12 republics cannot be put in order, a catastrophe lies ahead.

Warns of Totalitarian Threat

LD2011152191 Paris Antenne-2 Television Network in French 1200 GMT 20 Nov 91

[Text] George Bush and James Baker are pleased with Eduard Shevardnadze's return to the head of the Soviet Foreign Ministry. Mr. Shevardnadze caused surprise yesterday in Moscow when he rejoined Mikhail Gorbachev's team and took back his place at the Ministry of Foreign Affairs [as heard]. So, why did he do this? Well, this morning Mr. Shevardnadze explained his actions to Corine Perthuis, our reporter in Moscow:

[Begin recording] [Shevardnadze in Russian fading to French translation] You know that the country today is experiencing very difficult times, and it seems to me that this crisis situation, which arose in the former Soviet Union, well, brings me to the fore, as the place of the democrats and reformers at the moment should be at the barricades. I am using this word deliberately. It is a question of survival, and above all a question of the survival of democracy. It was inadmissible for me to remain outside this process, while after the well-known events, the country's president, the president of Russia, and the other leaders made their choice—to defend democracy. That is why I accepted my appointment.

[Perthuis] Is a return to a totalitarian system impossible?

[Shevardnadze] No, it is possible. Such a threat exists, firstly because the people who supported the totalitarian system are still there, but also because of the worsening of everyday life. You know how Moscow looks today. The lines, the people's bitterness—all of this aggravates social tension. So, I cannot say that there is no threat. I can even say that the threat is more serious today than before the putsch. [end recording]

Details Difficult Decision

LD2111044291 Moscow TASS International Service in Russian 2155 GMT 20 Nov 91

[By TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 20 Nov (TASS)—"My attitude to the press has always been benevolent, so I expect it to show the same attitude to me in the office of minister." This is how Eduard Shevardnadze, who was appointed minister of external relations yesterday evening, began his interview with TASS today.

He said that the appointment did not come as a complete surprise to him: A proposal along those lines had been discussed for about two weeks at the most varied levels, including within the family. "I must admit, it was not easy to accept that proposal," he said. "The situation in the country today is much more complicated than at the time of my resignation and more complicated even than this August. The recognition of this fact was what impelled me to agree to the USSR president's proposal that I take charge of the Ministry of External Relations, with its fundamentally new structure. As for the family's attitude, Eduard Shevardnadze commented, the proposal "only just got through" there. "This is why it cannot be said that the appointment came as a complete surprise to me," he repeated.

Eduard Shevardnadze considers that his "very first task" in the office of minister will be a tour this year of the capitals of all the sovereign republics, all the sovereign states, to meet their presidents and the leaders of their governments, public forces and movements, in order to assess the situation, define urgent needs, and outline prospects for development within the framework of the new state structure, the Union of Sovereign States, on the spot. To this end, the minister intends to cancel most of the engagements planned for this year, both at home and abroad.

Answering a question about the reasons for the unanimous international support for his appointment to the post, Eduard Shevardnadze expressed the opinion that the point here is that the whole world is interested principally in stability and security. Therefore, he feels, his appointment was interpreted in the world as a step "in that very direction."

Regarding the activity of the Foreign Policy Association which he set up, Eduard Shevardnadze continued, he believes that it "will live on." "I would like that organization to be geared toward a specific department: in particular, the Ministry of External Relations," he commented. He is especially attracted by the thought of the association turning to a new idea, such as the elaboration of solutions to the problem of settling domestic conflicts. The minister is enthusiastic about a plan to set up a foundation or an academic research center to analyze and draw up specific recommendations to solve this and similar topical problems. There are many extremely talented people in the association's leadership capable of taking charge of it, Eduard Shevardnadze believes.

Shevardnadze faces a lot of work to reorganize and organize the activity of the new ministry, whose functions cover both foreign policy and foreign trade. It is also necessary to conclude this work by the end of the year, combining it with shaping the Union of Sovereign States' foreign policy in collaboration with those sovereign states, the minister declared in conclusion.

Pogodin on Appointment, 'Heavy Responsibility'

LD2111054191 Moscow Radio Moscow World Service in English 1310 GMT 20 Nov 91

[Commentary by Aleksandr Pogodin]

[Text] This event [reappointment of Shevardnadze as USSR minister of external relations], immediately noticed by heads of leading countries of the world, requires a thorough analysis of course, but I have to limit myself to the following brief notes about the past and some considerations about the present.

As far as the past is concerned, in the period from 1985 to 1990 when Shevardnadze held the foreign minister's post his name was associated with the crucial restructuring of Soviet foreign policy and the creation of maximally favorable international conditions for perestroyka within the country.

Soviet foreign policy revision was based on the admittance [as heard] that the old methods of confrontation, of the supremacy of ideology over politics and law, were totally unsuitable and unsound. It was necessary to halt the arms race, switch over in relations with the West from confrontation to cooperation, do away with involvement in regional conflicts, give up the ideas of a world socialist system and develop new relations with the Third World. Enormous efforts were required for restoring trust and convincing the world that the Soviet Union posed no threat to other countries, that its intentions were pure and sincere.

I don't intend in the least to belittle Gorbachev's contribution to the assertion of the policy of new thinking in the world. This contribution as been univerally recognized. But I maintain that without the intensive daily creative work carried out by Shevardnadze it would have been impossible to translate these principles into reality.

But what was good for this country and for the whole world was met with animosity and resistance by the bureaucratic Communist Party and administrative systems. (?A) right-wing group strongly attacked the foreign policy pursued by Shevardnadze and Shevardnadze personally. They accused him of inflicting a damage on the country's security.

On 20 December last year Shevardnadze announced his resignation at the session of the national parliament. In his statement there he stressed the real danger of the establishment of a right-wing dictatorship in the country.

Further developments proved the correctness of that prediction and now three months after the abortive coup the need reappeared for using the enormous unclaimed potential of the former foreign minister.

True, Shevardnadze needed to summon a lot of courage for accepting the president's proposal. After all he's not simply reassuming the old post. He takes upon himself a heavy responsibility for the political and economic activities of the state on the international scene at a time when its domestic structures and even its future are extremely complicated and vague. He will have to get to grips with the most complex problem of combining and coordinating the foreign policy of the state where former Union republics begin to play an increasing active role in world affairs, the republics who proclaimed their sovereignty. He will have to deal with new structures that have replaced the mechanism he was so carefully adjusting while working at the Foreign Ministry in the past years. But let us not forget that the new post will be held by a strong-willed, intelligent, and agile person who enjoys enormous prestige both in this country and abroad. And all this enables us to link new hopes with Shevardnadze's new appointment.

Pankin Cited on New UK Ambassadorial Post

LD2011211891 Moscow Russian Television Network in Russian 1800 GMT 20 Nov 91

[From the "Vesti" newscast—read by announcer]

[Text] The new chief of the new department has been introduced to the leadership of the Ministry of External Relations. The appointee once again crosses the threshold of the house on Smolenskaya Square with excitement. According to Mikhail Gorbachev, the new functions of the experienced Shevardnadze will be in keeping with a new stage in the development of the Union and a new role for the synthesizing ministry as coordinator of foreign policy and the economy.

Our relations, the president stated, have gone through difficult ordeals. We remained faithful to the great cause that we will continue. Gorbachev and Shevardnadze assessed very highly the professionalism and human qualities Boris Pankin displayed during the three months of his leadership. In Pankin's presence, Gorbachev received approval for Pankin's appointment to the post of ambassador to Great Britain from British Prime Minister Major during a conversation with the Queen of England over the telephone.

Pankin noted with pride: I am happy that in this threatening and complex time I was fulfilling the high mission of the democratization and humanization of our diplomacy. The voice of the foreign affairs ministry was reminding various detractors that the Union exits and is undergoing transformation.

After turning down the post of Gorbachev's state adviser, Pankin referred to his desire to play an independent role. He noted that the present appointment to London is not a consolation prize. In an exclusive interview for "Vesti," Pankin mentioned that Yeltsin congratulated him this morning over the telephone. He asked Pankin to represent Russia in London as well. The president wished employees of the External Affairs Ministry painless reorganization of foreign policy and a safe journey to those who are departing or moving away.

New Party Calls Gorbachev, Yeltsin 'Traitors'

OW2011192391 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] In an interviev with IF [INTERFAX] Nina Andreyeva, Secretary General of the Union Communist (Bolshevik) Party [UCP] Central Committee, said that by the end of this year the UCP CC plans to set up its cells and committees in all republics of the former Union, including the Baltics.

Andreyeva also said that the UCP, created in St. Petersburg on November 9th, has completed work on its program. It envisages "establishment of ties between the UCP and other organizations concerned about the Soviet Union's fate, propagation of UCP's ideas by parliamentary and non-parliamentary means, as well as resistance to reaction, authoritarianism and fascism."

Andreyeva pointed out that the neo-bolsheviks do not recognize the treaty on the Union of Sovereign States claiming that it is "a tool for destroying the state, the symbol of the Soviet Union's betrayed peoples and a legal pretext for unleashing a total civil war."

Commenting on the controversy concerning proposed reburial of Vladimir Lenin, Andreyeva said that the idea had been put forward by "traitors Gorbachev, Yeltsin and company, smearing our history, Lenin and Stalin with dirty hands."

MDR's Preparations for Upcoming Congress Noted

PM2011170791 Moscow PRAVDA in Russian 19 Nov 91 p 3

["Parties, Movements" report by V. Nikiforova: "Movement for Democratic Reforms: Touches to the Self-Portrait"]

[Text] "The Movement for Democratic Reforms [MDR] emerged in July 1991 and currently comprises roughly 1 million members." That information on the results of a sociological poll began a routine session of the movement's political council devoted to preparations for its upcoming congress.

Oh, its constitutors (or founders) have shouldered a difficult burden: that of forming a civil society with strict separation of powers—representative, executive, and judicial. But they rely on support from active, creative people—professionals in their own right, with no distinctions made between the highly skilled worker, the teacher, innovator, the sharp-penned journalist, and the peasant farmer.

And they see the guarantee of success in the fact that leaders E. Shevardnadze, A. Sobchak. A. Yakovlev, G. Popov, A. Rutskoy, and others have the support of broad strata of society. This text got through to a satisfied roar of approval. The first hitch came when the following sentence was heard: "...willing to share political responsibility for what is happening in the country." I. Laptev (one of the founders) proposed that this be removed. But in other respects the members of the political council liked the self-portrait. I'll say! I cannot help but quote: "These people's political caliber and experience are well known. And our leaders have a good sense of humor."

I will be fair and cite another excerpt from the analysis prepared by the MDR's Moscow regional center. "Needless to say, we have our shortcomings. We are all products of our country, our time, and our system. We are all guilty of 'meddling in everything' [sovkovost], and that is our main shortcoming. Conferences, sessions, agreements, debates—we are guilty of all this, but we are gradually eliminating our 'birthmarks.'"

And of course they are: A decision was adopted right at the political council on how to start the congress: strictly or with a "concert with fine artistes." Agreement was rapidly reached on this: Naturally it must start in a nontraditional way—with a concert.

I listened, afraid to miss a word—I have to remember and note everything a little better so as to tell the readers with what and with whom we are dealing in the MDR. But one participant in the political council session constantly obstructed me. There was not enough time to read all the text before M. Minasbekyan suddenly asked: "We're the Movement for Democratic Reforms, but what reforms will we back?" Then, when they tried to discuss the provisions of the statutes and the norms for representation at the congress, he repeated like a refrain: What is the purpose of the movement, what kind of reforms, and so on.

But with an experienced hand Shevardnadze, chairman of the organizing committee, steered the political council's ship in accordance with the agenda: It was decided that the congress would take place 14-15 December in the "Rossiya" Movie and Concert Hall. More than 700,000 rubles [R] will be needed to stage it—whereupon members of the organizing committee reported that the "Vostok" Bank and the Academy of Sciences scientific center have donated R400,000 and R200,000 respectively. Where is the rest to come from? Eduard Amvrosiyevich inspired hope: Our own entrepreneurs will help, and there are well-wishers abroad.

There was another hitch—the following question cropped up: Should foreign guests be invited? Some said: That's costly and there's not enough time, there's no time to send out invitations. Thatcher's schedule, for instance, is all booked up for two or three months ahead. Others expressed doubt: VIP's won't come.

But Shevardnadze assured them: "If we decide to invite them, I guarantee that they will be the first to come."

CPSU's 'Successor' Party Fails To Find Unity

PM2011161991 Moscow PRAVDA in Russian 19 Nov 91 p 3

[N. Lyaporov report: "Disagreements Again"]

[Text] Despite some of the forecasts made about it, the recent constituent conference of a new party, the "League of Communists" [Soyuz Kommunistov], was not only attended by CPSU "old timers." The credentials commission reported that more than 27 percent of the delegates (there were 91 in all) were people under the age of 40. Certainly, young faces were to be seen in the hall.

There was another notable feature: Some 13 percent of the participants were nonparty members. In other words, hundreds of working people who had not previously been members of any party wanted to link their destiny with the new party. It emerged from the report by keynote speaker A. Prigarin, member of the organizing committee, that supporters of the "League" are to be found not only in Moscow but in a number of other cities, large and small, across the country. The "League" considers itself the rightful successor to the CPSU.

The leitmotiv of many of the speeches was the idea of the need to recover for communists the people's lost confidence. To achieve this it is not enough just to set up a party; the main thing is to put forward a program to which working people really will respond and in which they will find a living response to their current and future concerns. Will this happen, given that the "League of Communists" intends to rally its supporters on the ideological base of the well-known "Marxist Platform" and its decisions?

In fact the "League" program and rules already contain deviations from the above platform. And these, it seems, are so fundamental that a fair number of its former supporters could not agree with them and so broke away from the new party and decided to hold a separate conference. All indications are that it was the attitude to private ownership that proved the stumbling block. The most orthodox Marxists consider it inadmissible—they advocate a market without private ownership. Whereas the "League" program only talks about averting mass privatization, restricting the use of hired labor, and eschewing economic advantages for private business.

People were upset by the split—after all, they had spent the entire time talking about consolidating and forming a unified communist party. Conference speakers tried to find ways to reach a compromise. Regrettably, the sides have parted for the time being, each sticking to their own opinion.

Security Service Refutes Charges on KGB

LD2011194291 Moscow TASS in English 1831 GMT 20 Nov 91

[Text] Moscow November 20 TASS—The public relations center of the interrepublican security service today refuted an article in the STOLITSA magazine, which was broadcast in brief through TASS channels and the Russian TV Vesti news program.

The article claimed that the key posts of the all-Russian exchange center are occupied by KGB officers, who allegedly use Russian economic structures to launder KGB money and transfer them abroad.

The public relations center officially stated it is a falsehood aimed to discredit state security bodies and Russian entrepreneur establishments, says an announcement received by TASS today.

In this connection we fully support the appeal of the STOLITSA editorial board to people's deputies and the commission on examination of activities of the KGB bodies, to check all the names and facts cited in the article, the announcement notes. In our turn, we insist that measures, following from the law on press, be taken on the checked results, the announcement says.

Laptev on Role of New Izvestiya Concern

PM1911102891 Moscow IZVESTIYA in Russian 15 Nov 91 Union Edition p 2

[Interview with I.D. Laptev, general director of Izvestiya Economic Association; place and date of interview and identity of interviewer not stated: "What Is the IZVESTIYA Concern?"—first paragraph is IZVESTIYA introduction]

[Text] About a month ago the USSR Supreme Soviet Presidium, which since 1921 has been considered the founder and effective "owner" of the IZVESTIYA newspaper and publishing house, adopted a resolution agreeing to the IZVESTIYA leadership's proposals for a radical reorganization of our whole newspaper and publishing group, making use of the opportunities offered by the Law on the Press and other USSR and RSFSR [Russian Soviet Federated Socialist Republic] laws. All the group's structural subdivisions, the newspaper IZVESTIYA, its supplements, and other organizations, without waiving their legitimate rights as legal entities, are forming (or rather reviving) a single firm, the Izvestiya Economic Association. And the "firm," once again confirming its readiness to carry out all necessary printing work for the highest organs of state power of the USSR and RSFSR, proposed to the USSR president that our newspaper's former chief editor, I.D. Laptev, who until recently held the post of chairman of the USSR Supreme Soviet Soviet of the Union, be appointed general director of the Izvestiya Economic Association. The president supported this proposal, and issued corresponding instructions 6 November. And so the new work begins, and we begin it with some questions for I.D. Laptev.

[IZVESTIYA] Ivan Dmitriyevich, returning to places and jobs that you had previously left cannot be easy. How does it feel on this occasion?

[Laptev] You are right, except for one thing. If you discount the familiar places, old friends, and a job that you regard as your destiny. But if you take all these things into account, then coming back is a very happy moment. For me, at least.

[IZVESTIYA] The editorial office is currently receiving a good many questions about you, your position today, and the formation of the Izvestiya Economic Association. What is this new phenomenon in the structure of our country's press?

[Laptev] To be more accurate, in the Soviet press. Similar formations have existed previously in our country. And Izvestiya still uses many of the buildings of one of them. I am talking about the organization of the immortal Ivan Dmitriyevich Sytin [early 20th century Russian publishing magnate]. Abroad, such firms are the norm, though there are not many of them. But in our day the association is something new, I agree. It will include the newspaper with all its supplements, the publishing house with all the enterprises and structures that are on its books or of which it is founder, and other enterprises, including joint enterprises and possibly foreign ones. That is to say, it is a kind of open system which new publications and new organizations could join or within which they could be created. It is all a question of the conditions.

[IZVESTIYA] Can you clarify?

[Laptev] The association is now to be based on the principle of economic autonomy. According to the procedure laid down by USSR and RSFSR laws, it is granted the right of full economic control of the property on its books. As for export and import operations, Izvestiya "won" the right to these about three years ago. This right has only been reaffirmed now.

It is clear that in the light of all these conditions the association members must accept certain "rules of the game." These will be formulated in detail in the statutes. All I can say now is that while preserving their own legal identities, the components of the concern will have to learn something that is very difficult for all of us—the art of efficient economic management. I could put it even more clearly: the art of survival. Because the state, into whose budget the Izvestiya group has over the last six or seven years paid some 300 million rubles of free residual profit, cannot invest a single ruble in this group today. And that means that we must bear by ourselves the soaring prices of paper, delivery, and other services and materials. We must learn to bear them! Basically we are now setting up an experiment, a model entitled "Newspaper and Journal Publishing in the First Stage of Market Relations." And in the process we not only have to keep the work going, but to ensure at least some degree of social protection for the people.

[IZVESTIYA] Presumably the conditions will also include the general director's relations with the chief editors, especially the IZVESTIYA chief editor, the director of the publishing house, and the other leaders?

[Laptev] Here, in my view, everything is clear. In any case, it is clear to those who know newspapers and publishing. No publication can have two chief editors, and no publishing house can have two directors. If I was going to intervene directly in the work of editors or the leaders of the publishing house, it would be better not to get involved in the first place. They should and, I hope, will work exactly as they do now. I understand the functions of general director primarily as those of creating conditions for each component of the association to carry out its tasks properly. I think these functions also include the task of ensuring the association's development along its most important line, that is, promoting the growth of existing publications and creating new ones. And another thing: widening the association's sphere of activity. For instance, we have a huge and as yet unrealized potential for information and consultative services. Other points could be mentioned, but it all amounts to one thing: The general director is called upon to deal with strategic questions of the association's development and activity. Far from hampering the component structures, this should boost their prestige and influence.

[IZVESTIYA] It seems that you have already thought about the details of the future concern.

[Laptev] Not many people know that IZVESTIYA has raised this question three times. I think we made the first attempt in 1988. But it was rejected out of hand. Then we tried again in February 1990. At that time I had just been elected chairman of the USSR Supreme Soviet Soviet of the Union, and tried very hard to give a "boost" to the presentation of this matter to the presidium. But apparently even here, God loves a trinity. It was only after the newspaper IZVESTIYA, with the Russian Government's help, had decisively changed its relationship with the founder that the Supreme Soviet Presidium voted to consent to the formation of the association.

[IZVESTIYA] And what is the attitude of the RSFSR Ministry of Press and Mass Information to this idea?

[Laptev] I can only say that I discussed it with Minister M.N. Poltoranin four or five times, in several different versions, and it seems to me that we both dreamed of implementing this idea. Other Russian Government leaders know about it, too. And then it is fully in keeping with the current reforms, the reforms that the Russian Ministry of the Press and Mass Information is currently working on.

[IZVESTIYA] And now a question concerning you personally. As a journalist, editor of a general political newspaper, and then a people's deputy and chairman of one of the chambers of the USSR Supreme Soviet, you have become well known as a politician. Are you basically going to leave the political sphere now?

[Laptev] I don't think I can agree with that way of looking at it. The fact that I will now be engaged in administrative, executive, organizational, and economic work does not bar me from activity of a political nature. And indeed, how could that be possible in times when our entire population seems to have made politics its vocation?! But seriously, I do not intend as yet to renounce my duties as member of the USSR Supreme Soviet, chairman of the USSR Parliamentary Group, and cochairman of the "Movement for Democratic Reforms." All this is political activity. Another point could also be made in connection with your question. The new economic structures, their leaders, and the large numbers of people who have now joined them are actively seeking to join the "political club." But often they do not do this very successfully, to put it mildly. I will now have occasion to collaborate with these structures by virtue of my new work. I think my political experience could come in useful in this respect, too. We will work on it, and see. The main thing, in today's conditions, is to really preserve all our publications, keep our collectives intact, and survive this difficult time together.

Trubin Rejects RSFSR Prosecutor's Criticism

PM2011124491 Moscow IZVESTIYA in Russian 19 Nov 91 Union Edition p 2

[V. Rudnev report, incorporating interview with USSR General Prosecutor N. Trubin: "Union Prosecutor's Office Ordered To Hand Over Everything, Even Its One and Only Boarding House"]

[Text] A single system of prosecution organs has been set up in Russia—that is the crux of the resolution adopted 15 November by the republic Supreme Soviet. The number of Russian prosecutors is to be increased, and there is provision for measures to improve their material and technical support. And the concern shown by the legislators for strengthening executive power in Russia can only be welcomed, but....

The prosecutor's office, however pressing its own problems, is still a part of society's legal system. And if we are to set about strengthening a part, then clearly we know how the whole is to be structured. But there is the rub: The shape of the whole Union (or even Russian) legal pyramid is not yet clear. And so it seems that without knowing the architect's overall plan, we are starting to build one of the walls. And when we have built it, presumably, we will adapt the rest of the building to fit it. The result could be the kind of lopsided freak that we are familiar with from the past.

The same Russian parliament decision, apparently, in effect abolished the USSR prosecutor's office: All its facilities located on Russian territory are now transferred to the republic prosecutor's office. Although, to be honest, the country's general prosecutor is today left with only four such facilities. By a decision of the Union department, the training center in St. Petersburg has already been handed over to the Russian prosecutor's office, and the one in Kharkov to the Ukrainian office. The USSR prosecutor's office retained for itself only a minimum: the administrative building on Pushkin Square, two all-Union institutes for interrepublic scientific research and training work, and a boarding house on the Istra near Moscow, just one for all the country's prosecutors. That has been taken away, too.

It is hard to say what led to such hasty neobolshevik expropriation. But according to the TASS reports, passions were inflamed primarily by a statement by RSFSR [Russian Soviet Federated Socialist Republic] General Prosecutor Valentin Stepankov. He accused USSR General Prosecutor Nikolay Trubin of interfering in legal matters governed by Russian law, of lacking the finance to maintain the prosecutor's office organs, and of scattering the existing resources among cooperatives. "The country's general prosecutor acknowledged his impotence, and offered his resignation," Valentin Stepankov told the deputies.

Is it true? There was no one to ask: N. Trubin had not been invited to the Russian parliament session....

[Rudnev] Nikolay Semenovich, do you know about the RSFSR Supreme Soviet decision?

[Trubin] I heard it on the radio. And I have just read the TASS report. I am very surprised! I have the impression that my hotheaded young colleague simply misled the deputies. And besides, no single republic can decide the fate of an all-Union department and its property. The USSR Prosecutor's Office exists and, judging by the agreement reached in Novo-Ogarevo on 14 November on the future Union of Sovereign States, will continue to exist. Our expenditure is being financed. True, our appropriations are inadequate, and today we are unable to increase the wages of prosecution workers. But this is not so much the general prosecutor's problem as a budget problem.

[Rudnev] You were accused of scattering the existing resources among cooperatives....

[Trubin] They are trying to make a mountain out of a molehill. A few months ago we learned that certain staffers of the Leningrad institute for improving the qualifications of investigation workers had equipped a cooperative with our property. We checked this story, and it was confirmed. These traders were expelled from the institute, and the training center itself was placed under the supervision of the Russian prosecutor's office.

[Rudnev] What about your resignation?

[Trubin] I offered my resignation immediately after the August putsch. And not because I felt personal guilt for supporting the SCSE [State Committee for the State of Emergency], as the newspapers stated, without substantiation. The reason was different: My request to resign was dictated by my sense of moral responsibility for the actions of my deputies I. Abramov and A. Vasilyev. All this is past history, and it is well known how the USSR Supreme Soviet and the congress received my offer to resign. So I am still USSR general prosecutor. But I repeat: I did not ask the deputies to allow me to remain in office. It was they who asked me to continue to fulfill the duties of general prosecutor.

[Rudnev] Could you comment on another quotation from Stepankov: "Trubin interferes in legal matters governed by Russian law?"

[Trubin] I can answer that very briefly—it is disinformation, not to put it more strongly. Nothing of the kind has happened. But that is not the main point. Some people are arbitrarily accusing me of interfering. Others accuse me of obedient inaction, as in the case of the criminal proceedings against Andrey Nuykin by the general prosecutor of Azerbaijan. Others again.... [Changes thought] You know, sometimes I despair. Today the post of USSR general prosecutor seems to be specially designed as whipping boy: Anyone who feels like it takes a swipe at you indiscriminately. Only one thing keeps me in office: I gave my word to the USSR president, and I believe in the need for Union prosecutor's oversight in these critical times for the country. [Interview ends]

...We are writing about conflicts between Union and republic departments. In the present situation this is obviously a natural process: A redistribution of power is taking place. And wisdom and caution is required from the leaders of those departments, so that the cause does not suffer. Trubin, by all appearances, has found a common language with many republic prosecutors. But not yet with the Russian prosecutor (who, incidentally, was his own nominee). What is this—the generation gap, or personal ambition?

Criminalization of Party Without Trial Assailed

PM2111122691 Moscow PRAVDA in Russian 20 Nov 91 p 2

[Article by USSR People's Deputy T. Avaliani: "One Thing Should Lead to Another"]

[Text] Kisilevsk, Kemerovo Oblast—The RSFSR [Russian Soviet Federated Socialist Republic] president's decree banning the Communist Party was a holiday surprise. So Boris Nikolayevich remains true to himself: If you're going to do something, you might as well cause a stir. And when I heard about this decision I was dumbfounded. Not so much because they had banned the party, but because of the cynicism with which the champions of democracy and builders of a rule-of-law state are treating our laws. Revolutionary expediency has once again taken the place of investigation and trial.

Assertions that the CPSU is a criminal party are current today in the press, radio, and television. But that can only be decided by the court. True, there have been cases in world history of a court judging political parties to be criminal. For instance, at the Nuremburg trial the National Socialist Party of Germany was judged criminal. All its leaders were condemned. Even Rudolph Hess, who had left the scene five years before the Nuremburg trial, did not escape responsibility. So does this mean that if the CPSU is deemed a criminal party, then logically all the surviving former members and candidate members of the Politburo should be put in the dock? In short, have they forgotten how one thing leads to another?

As for the confiscation of party property, as in any democratic country, only the court is entitled to do this. For instance, for many years our city's Communists paid subscriptions of more than 900,000 rubles [R] annually, and spent R300,000-350,000 a year on the needs of the city party organization. Property worth R306,000 has been confiscated from us. Did we steal that property?

And the most offensive thing is that these insults are fired at us daily from the newspapers, radio, and television, without trial or investigation, first and foremost by the very people who were at the top of the CPSU or provided ideological services to its leadership.

Rank-and-file communists in the USSR are in a critical situation. This is apparently the first time in world history when the CPSU leaders, without consulting the ordinary party members, have betrayed them.

It also seems to be the first time in world history that the leaders of a state have with their own hands ruined their own country and brought it to the brink of civil war.

Remember that in the 17 March referendum 76 percent of the population came out in favor of preserving a unified and indivisible USSR. And what do we see, eight months later? The USSR president (who, incidentally, was voted for at the Congress of USSR People's Deputies by only just over half its members) exists, but not the Union.

This cannot be ignored. A state where laws and the opinion of the people are disregarded, where in effect the country's highest legislative body has been disbanded, can hardly be called democratic. And I am surprised, frankly, that democratic forces throughout the world, the governments of democratic states, and the world community, which have always stood up for the defense of the rights and freedoms of even one individual, are now silent. The collapse of a state like the USSR is fraught with the risk of global catastrophic consequences for the whole world. So presumably silence is to be understood to mean consent?

Background of Primakov's Press Secretary Noted

LD1911013891 Moscow TASS in English 1629 GMT 18 Nov 91

[By TASS correspondent Vladimir Kikilo]

[Text] Moscow November 18 TASS—"It was absolutely unexpected," said Tatyana Samolis, a correspondent from the PRAVDA newspaper, who was appointed today the press secretary of Soviet Central Intelligence Service Director Yevgeniy Primakov.

"I have never thought about the existence of such services," Samolis said. Now she will be the person to create and head a very significant department—the Public Relations Centre.

The 18 previous years of Samolis's career have been connected with PRAVDA, where she came to work right after graduating from the Correspondents' Department of the Moscow State University.

She was employed at the Letters' Department, which gave food for thought and articles. One of her works was the "purifying" article published in February, 1986, which brought her fame and was described as classics [as received] of the "perestroyka publicism".

It was the first year of perestroyka, and Samolis still believed in the possibility of purifying the Soviet Communist Party from retrogrades and mercenary persons.

In her recent and last publication in Pravda, "Tragedy, Which is Not Optimistic", Samolis completed her years-long cycle of articles and said openly she does not believe in the party's revival any longer.

This article was the reason for her divergence in views with the PRAVDA heads. Samolis decided to quit her job after long and painful considerations. Then, Primakov, recently appointed the director of the Soviet Central Intelligence Service by the president's decree, offered her the new post.

"It is a challenge," Samolis said.

She noted she will begin her work next Monday by forming a Public Relations Centre. Samolis believes she will become the Soviet Intelligence Service spokesman and do a difficult job of establishing relations with mass media.

Samolis is very modest, gentle and feminine. Still, in the words of her friends, she does not like to discuss "women's" issues. They said politics is her hobby, which she keeps on talking even during her meals.

Samolis has been married for over 25 years. She met her husband, ethnic-Lithuanian Georgiy, in Sevastopol, her hometown, where he worked as a correspondent at a Black Sea Fleet newspaper. Now he is 1st class captain (reserve).

Her son, Sergey, is a fourth-year student of the Asia and Africa Institute under the Moscow State University. He is studying English and Hindi. Samolis herself studied English back at the university, but has forgotten a lot of it because of the lack of practice.

Why Yevgeniy Primakov, previously a PRAVDA correspondent in Arab States, chose her to become his press secretary? They have met each other while working at the PRAVDA. "Is is probably because I am so reliable one can go reconnoitering with me," Samolis jokes.

Autonomous Republics Meet, Discuss Relations

LD1811004991 Moscow TASS International Service in Russian 1845 GMT 17 Nov 91

[Text] Tiraspol, 17 Nov (TASS)—Issues of economic cooperation and direct economic ties between the former autonomous republics of the country have been examined at a two-day conference which ended its work here today. Its participants have agreed on founding "the movement for solidarity of the small peoples' states" and decided to organize a meeting of leaders of these states. Twelve delegations participated in the conference, including those from Abkhaziya, Kabardino-Balkariya, the Republic of Karakalpakstan, the Republic of Mariy El, Buryatiya, Chuvashiya, the Republic of Yakut-Sakha, Khanty-Mansiysk okrug, representatives of a number of rayons, and towns of the Dnestr region and Gagauziya. The TASS correspondent has been informed that the conference took place on the initiative of the Supreme Soviet of the Dnestr Moldavian republic declared illegal by the Moldovan parliament.

Gorbachev, Yeltsin Greet Delegates

LD1811224391 Moscow TASS in English 1534 GMT 18 Nov 91

[By TASS correspondent V. Demidetskiy]

[Text] Kishinev November 18 TASS—"Unity for the sake of survival"—this was the motto of the two-day Tiraspol meeting of delegations from several sovereign autonomous republics and areas of the country. Representatives of Abkhazia, Gagauzia, Kabardino-Balkaria, Karakalpakia, the Mari Republic, the Khanty-Mansy area, Chuvashia, Yakutia and the Dnestr republic sought ways to strengthen political and economic unity on the basis of inter-regional cooperation.

The nine delegations signed an agreement, saying that they are guided in their actions by the "desire of fellow-countrymen to promote the peaceful development of the peoples within one single Union state and recognise the supreme legal value of the results of the March 17, 1991 international referendum". They recognise the need to call a meeting of leaders from all the sovereign republics and autonomous formations of the single economic and political space on the territory of all the country.

It is also planned to strive for the recognition of the right of all state and autonomous formations of the country to sign the treaty on the political and economic community of sovereign states.

The meeting was greeted by USSR President Mikhail Gorbachev and Russian President Boris Yeltsin.

TASS Carries Press Review for 21 Nov

LD2111090191 Moscow TASS in English 0834 GMT 21 Nov 91

["Press Review"—Tass Headline]

[Text] Moscow November 21 TASS—Newspapers report that President Gorbachev addressed the session of the federal parliament on Wednesday. PRAVDA focuses attention on Gorbachev's statement that the Union treaty is planned to be initialled at the session of the State Council on November 25.

Analysing the economic situation of the country, the head of state pointed to the continuing disintegration of the economy, which leads to the decline in production, RABOCHAYA TRIBUNA writes. "Over the past year industrial output went down by seven per cent, agricultural output—by nine per cent and the national income by 15 per cent." Gorbachev asked the parliament to allow the USSR State Bank to grant a 30-billion-rouble credit for financing federal budget expenditures, the newspaper writes. According to the president, "It is necessary now to adopt an emergency budgent for the fourth quarter of the current year. This is a life-or-death problem for the country."

According to RABOCHAYA TRIBUNA, chairman of the Interrepublican Economic Committee Ivan Silayev, who addressed the parliament immediately after Gorbachev, urged the federal parliament to approve the emergency federal budget for the fourth quarter and to allow the USSR State Bank to grant a 30-billion-ruble credit for financing budget expenditures. He told the legislators that this year budget revenues would be reduced by 42 billion rubles as a result of the decline in production, by another 40 billion as a result of the reduction of profit rate and by another 47 billion as a result of the failure by the republics to meet the commitments they assumed previously.

Gorbachev's chances for support by the legislators are rather small, NEZAVISIMAYA GAZETA writes. "By all appearances, the current political situation does not make the legislators too obedient, or too compliant either," it points out.

An article published by KOMSOMOLSKAYA PRAVDA, entitled "Who will hear the president?", comments on Gorbachev's speech in parliament. The newspaper stresses his words that the situation in the country is close to catastrophic. In the opinion of Gorbachev, the creation of a Union state is the only way out, KOMSOMOLSKAYA PRAVDA writes.

A. Orlov, chairman of the USSR Control Chamber, writes in SOVETSKAYA ROSSIYA about two secret bank accounts of the USSR Ministry of Finance. A total amount of money kept on them exeeded 52 billion rubles. Orlov told the newspaper that the country had a sort of an underground budget, of which the federal parliament knew nothing. Only the finance minister, the chairman of the USSR State Bank and two or three senior officials knew about them. One cannot rule out a possibility of the existence of more than two secret accounts of the Finance Ministry at the USSR State Bank. Now the "52 billion rubles case" is being investigated by public prosecutors and the commission of legislators from both chambers of the federal parliament, Orlov said.

The press gives wide coverage to the return of Eduard Shevardnadze. NEZAVISIMAYA GAZETA carries an interview with the new minister of external relations. The newspaper stresses that Shevardnadze did not repeat Yeltsin's path. He has chosen his own path. He remained an independent and strong figure in world politics, and at the same time he influenced and continues to influence the domestic political situation. Shevardnadze's return to the political arena strengthens Gorbachev's position, NEZAVISIMAYA GAZETA writes.

In an interview with the NEZAVISIMAYA GAZETA correspondent Andrey Karaulov Shevardnadze touched upon the reasons for his resignation from the post of foreign minister last autumn. He said that at that time foreign policy had become a target of attacks on the part of various political forces, but nobody said a word in his defence—neither the president, nor the Supreme Soviet, nor Lukyanov, nor Ryzhkov, none of those who had to defend foreign policy.

Shevardnadze categorically rejected allegations that "the Kremlin encouraged interethnic conflicts."

PRAVDA stresses that Shevardnadze's appointment to the post of minister of external relations met with a favourable response in the West, where he enjoys a very good reputation. According to the newspaper, people are "pinning on Shevardnadze the hopes for the stabilisation of our diplomatic front."

RABOCHAYA TRIBUNA took a rapid public opinion poll, asking people what they think about the economic reform. The newspaper publishes the answer of a worker from Novosibirsk: "We have always been lulled by fairy tales. The latest of them is the assurances of the Russian president that after the transition to market prices the first six months will be a difficult period, and then stabilisation will come. Actually free prices have long been in existence, but they did not improve the situation of workers one bit."

KOMSOMOLSKAYA PRAVDA carries an interview with the chairman of the Ukrainian Parliament Leonid Kravchuk, which deals with the future of our state. Speaking about the creation of the Union state, he said: "If something is to be done, it should be done on an entirely, absolutely new basis. The Novo-Ogarevo process ended together with the State Committee for the State of Emergency. A new stage of this work should be the creation of some entity resembling the European Community."

"People may take to the streets with new slogans," new Minister of External Relations Eduard Shevardnadze told KOMSOMOLSKAYA PRAVDA. "Social tension is running high in the country. The economic situation is dismal. I am afraid disillusioned people may take to the streets, and there is no telling who will lead the crowds," he said. In the opinion of Shevardnadze, the country is facing a threat of a new coup.

Economic

Quarterly Budget Deficit To Exceed Forecast

OW2111011191 Moscow INTERFAX in English 2108 GMT 20 Nov 91

[From 21 November "Soviet Business Report" feature—transmitted via KYODO]

[Text] USSR Ministry of Finance figures indicate that 1991's fourth quarter budget deficit will be greater than 110 bn [billion] rubles, surpassing the forecasted 90 bn ruble deficit. In the fourth quarter, the budget authorized expenditures totalling 125 bn rubles and expected 30-35 bn rubles in revenues. The Ministry of Finance fears that revenues will fall short of the planned level. In October, the Union budget received only 4.4 bn in revenues, sharply below the 10 bn rubles expected.

Defense Specialists Leave After Conversion

LD2011050991 Moscow Russian Television Network in Russian 1800 GMT 19 Nov 91

[From the "Vesti" program]

[Text] Viktor Protasov, member of the Committee for the Operational Management of the National Economy, has reported that in connection with the conversion of the defense industry enterprises, a total of 500,000 people have already left this industry. There is a danger that a proportion of these specialists, he said, together with our military technologies would go to Arab countries and Pakistan.

Foreign Companies Bid for Sakhalin Oil

OW1911235791 Moscow INTERFAX in English 2116 GMT 19 Nov 91

[From the 20 November "Soviet Business Report"—transmitted via KYODO]

[Text] In Yuzhno-Sakhalinsk (Far East) a presentation has been made by Mobil Oil, one of the companies bidding for the rights to develop the oil and gas fields off Sakhalin Island. But the favourites are still the Japanese-American Consortium, MMM (McDermott, Marathon, Mitsui) and Exxon-Sodeco.

Mobil is proposing an after tax fifty-fifty share out of the profits from the oil production. Experts from the company estimate that the Soviet share will amount to $1 bn [billion]. But if account is taken of the rising price of gas, this amount could be substantially increased.

Mobil representatives do not exclude cooperation with other bidding companies in the development of the Sakhalin oil and gas fields, and MMM has agreed that in the event of Mobil winning the tender, it will sell the latter its ice resistent platforms.

At the presentation Mobil declared its intention in the event of a successful bid to invest $50 mn [million] in developing the infrastructure of Sakhalin Island. Of this investment $10 mn would be made available during the first stage of the project. A Mobil representative also stated that his company's project envisaged extensive cooperation with Soviet companies in the development of the offshore fields. The Soviet partners, for instance, could provide some 25 percent of all requirements for materials and equipment.

Oil reserves off the coast of Sakhalin are estimated to be in excess of 500 mn tons; natural gas deposits to be more than 1,000 mn cub m [cubic meters].

Tomsk Oil Industry Faces Financial Crisis

*PM2111103091 Moscow PRAVDA in Russian
20 Nov 91 p 2*

[Correspondent S. Vtorushin report under the "Regional View" rubric: "The Earth Has Not Dried Up, But There Is Not Enough Oil"]

[Text] Tomsk Oblast—Only recently, the oil industry was our country's pride. Today, like all the other sectors, it is in deep crisis. Even in Tomsk Oblast, where more oil is extracted than in Azerbaijan, it is virtually impossible to fill your car with gas. What is happening in the oil fields?

"Our wells produced their first oil in 1966," V. Mangazeyev, chief geologist at the "Tomskneft" Association, says. "It was extracted at just one deposit. Since then many other deposits have been opened up, and two new oil extraction regions formed. The association reached an annual level of extraction of 15 million tonnes. We could have operated for many years at that level, because we have the necessary reserves of raw materials. But this year extraction will fall by nearly a million tonnes, and will total only 13.76 million. Next year, in all probability, it will fall even lower. There is only one reason for this—we do not have the resources to develop further."

The "Tomskneft" Association is, in effect, bankrupt. It is forced constantly to take short-term credits from the bank in order to pay its workers' wages. Yet the people of Tomsk are not only extracting the raw materials for petrochemicals and fuel for our motors. They are extracting hard currency. Oil is not called "black gold" for nothing. So why is the enterprise in this position?

"Primarily because all the other sectors have already started operating under market economy conditions. But we are still governed by the administrative edict system," A. Yelizarov, the association's chief engineer, says. "Everything we extract goes toward the state order, and for each tonne of oil we are paid a strictly fixed sum—80 rubles [R]. That is the cause of our troubles."

More than 900 wells are idle today in the association's oil fields. There is no way of carrying out maintenance work on them. There are no pumps, no hoists, no flush units. The maintenance crews are idle too. The association has to keep them on, because to lose highly skilled specialists would undermine the basis of its very existence.

The monopolist structure of our economy has hit the oil sector hardest of all. The fact is that nearly all oil extraction equipment is produced at enterprises in Azerbaijan and Groznyy. Because of the events in the Transcaucasus, Azerbaijan has virtually stopped supplying its output to the West Siberian oilmen. Checheno-Ingushetia has also drastically cut deliveries. And for what they do offer us, they demand a monstrous price. Thus, a unit for flushing the wells cost R300,000 only last year. Today they are asking R500,000 for it. If you translate that into oil terms, 10 such units cost approximately the same as an imported brewery. I know what I am talking about, because I was present at the oilmen's talks with Czechoslovak entrepreneurs. They are offering to build, on a turnkey basis, a brewery capable of producing 500,000 liters of beer a year in exchange for 4,000-5,000 tonnes of oil."

The oilmen's grave situation has led to colossal social tension in the region. In the city of Strezhevoy, which has a population of 47,000, there are 6,500 people who need housing. Nearly 2,500 oilmen's families live in hostels. All the city's schools work three shifts. Some 1,600 children are waiting for kindergarten places. And yet the main contractor of the "Tomskneft" Association—the "Tomskgazstroy" Trust—has yet to hand over a single square meter of housing this year, not one kindergarten is under construction in the city, and not one school will be commissioned. About 1,000 people have left the trust to join cooperatives and other organizations where there are higher wages. Is there a way out of this situation? Yes, and a fairly simple one.

The oilmen must be given the opportunity to dispose of freely at least a small part of their output and earn money for their own development. The visit by Czechoslovak business circles was mentioned above. Josef Par, Czechoslovakia's deputy trade representative to our country, who flew to Strezhevoy, offered the oilmen large-scale cooperation. Czechoslovakia is ready to build a brewery and a brick plant in the city (bricks have to be brought here over a distance of 1,000 km from Tomsk, and even that is only possible when shipping routes are open), and also to supply clothing, footwear, food, essential machinery, and much else. This will have to be paid for in oil at world prices. Now that neither Russia nor—still less—the Union has the money to develop the oil sector, this is a sensible solution, maybe the only one. And there is no need to be afraid that, on receiving their freedom, people will start spending their last resources. They need money primarily in order to create a normal infrastructure for vital services and to develop production. But this year the "Tomskneft" Association has not yet been able to sell a single tonne of oil abroad: It has no license to do so.

"If we were entitled to dispose of freely even 10 percent of the raw materials we extract, we would immediately be able to resolve many of our problems," V. Ivanov, deputy general director of the "Tomskneft" Association, stated.

"But in that case would we not be living at the expense of our descendants?" I asked. "After all, the resources, once sold, are irreplaceable."

"Not only the geologists, but we ourselves are prospecting for new reserves," V. Mangazeyev said. "This year alone we have increased our reserves by 10 million tonnes. I do not know what will happen next year. We now have no resources to extract oil, let alone for prospecting. For this reason we are totally unable to start exploiting three deposits that have already been discovered: the Zapadno-Poludennoye, Iglinskoye, and Verkhtarskoye deposits. They could yield more than 5 million tonnes of oil a year. In addition to what we are extracting at present. The earth has not dried up. It is the industry that has dried up. And all because it is operating with its hands tied. For some reason the state is afraid that those who work well will live well."

After I left Strezhevoy, I learned that the association had been given a license to export 100,000 tonnes of oil. Has the ice broken, and will there be gas at our gas stations again?

69 Western Companies To Establish Enterprises

OW2111004191 Moscow INTERFAX in English 2108 GMT 20 Nov 91

[From 21 November "Soviet Business Report" feature—transmitted via KYODO]

[Text] 69 Western companies have already received permission to establish their own enterprises in the USSR. IBM, the first to gain permission, plans to organize computer production at its USSR branch. Mr. Arkadiy Volskiy, deputy chairman of the Inter-Republic Economic Committee, thinks that setting up enterprises with 100 percent foreign capital should be an effective means for attracting Western finances and technology to the USSR. He adds that, in his opinion, the practice of attracting foreign capital through loans was not warranted.

Meat Unaffordable Despite Cash Savings Growth

LD2011040991 Moscow Radio Moscow World Service in English 2000 GMT 19 Nov 91

[Text] According to [name indistinct] analytical agency, the Soviet population had R [rubles] 199 billion in cash on 1 October. Cash savings grew by 50 billion in the third quarter of this year alone, because a considerable increase in monetary incomes was not supplemented by an appropriate increase in trade turnover. According to the same survey, 12 percent of Soviet families can afford less that 1 kilo of fresh meat per member a month.

Military

More on Defense, Interior Ministries Statement

PM2111101591 Moscow KRASNAYA ZVEZDA in Russian 21 Nov 91 First Edition p 1

[Statement by USSR Defense Ministry Press Service, USSR Interior Ministry Press Service; issued in Moscow on 19 November: "At the USSR Defense Ministry and the USSR Interior Ministry"]

[Text] Our country, the Armed Forces, and the system of internal affairs organs are at a crucial and vital stage of development.

During the military reform, principles of collective security and defense with the retention of the unified Armed Forces and the unified leadership of the nuclear and other arsenals of weapons of mass destruction have been elaborated and received legislative enshrinment—principles which have been coordinated with the republics.

At its 14 November sitting, the USSR State Council adopted a decision to preserve unified Armed Forces and also determined the basic guidelines for the reform of the USSR Ministry of Internal Affairs and the ministry's Internal Troops.

Some republics, however, are adopting acts and taking actions aimed at disrupting the system of defense, undermining the unity of the Armed Forces, and weakening centralized management and unity of command. All these actions can only be regarded as unconstitutional and unlawful. They will be resolutely and firmly counteracted in accordance with existing legislation.

In the present exceptionally complex sociopolitical situation, instances—which have become more frequent—of irresponsible, unlawful, and sometimes even frankly criminal actions in relation to servicemen are utterly intolerable and extremely dangerous. In a number of places military contingents are being made the target of unseemly political games and servicemen and members of their families are being subjected to discrimination, persecution, insults, and threats.

There is special concern at the situation in those places where anti-Army actions are being organized and conducted on the initiative of officials, organs of state power are being involved in carrying them out, and a distorted public opinion is being molded via the mass media.

In a number of republics there have been far from isolated impromptu attempts to take control of arms dumps, military hardware and property, and buildings and installations of army units. Here demands to transfer weapons and equipment are being accompanied by threats to cut off water, fuel, and energy supplies.

Notice must be made of the systematic, hostile actions against internal troops subunits performing operational combat tasks in protecting public order and the security of citizens in Tskhinvali and other "trouble spots" in the country, although elementary human justice demands that due tribute be paid to the officers and men who are risking their lives, not for gain or glory, even less to satisfy political ambitions, but to ensure in extreme conditions the safety of citizens and the protection of military and state facilities.

The most serious threat to stability and internal security is posed by attacks on military units aimed at seizing weapons, armored equipment, munitions, and military property. In some regions there have been cases of the theft of the armaments and virtually all the property of military units. It is only the restraint of officers and men that is making it possible to avoid bloodshed and many casualties.

Such facts cannot be tolerated any longer. They are fueling an already exceptionally tense situation and could trigger the most unpredictable consequences.

No one should be in any doubt that servicemen have every right to legitimate defense, up to and including using arms in the manner prescribed by the law and the regulations. In this respect full responsibility rests on those who incite, organize, and commit unlawful actions.

The USSR Defense Ministry Press Service

The USSR Interior Ministry Press Service

Armed Forces Can 'Defend' Property'

LD2011213191 Moscow TASS in English 2114 GMT 20 Nov 91

[By TASS correspondent Oleg Okovskiy]

[Text] Moscow November 20 TASS—"No one should forget that the Soviet Armed Forces are able to defend their property, which is the state property in accordance with the acting laws, and protect the honour and dignity of servicemen," said Lieutenant-General Valeriy Manilov, head of the Soviet Defence Ministry's Information Department.

He had a TASS interview today in connection with the statement of press-centres of the Soviet Defence Ministry and the Interior Ministry in connection with illegal actions in some republics aimed to destroy the defence system and undermine the unity of the armed forces.

In the words of General Manilov, some republics, in particular Azerbaijan, Georgia and Moldavia, have recently taken steps running counter to the acting Soviet Constitution and legislature of the country.

In accordance with the Soviet law "On property in the USSR," all the property of the Soviet armed forces is the state property and no one has the right to declare any part of it one's own property, nationalize military facilities, combat equipment and armaments, the general stressed. "Such actions are viewed by the Soviet Armed Forces as illegal and anticonstitutional," Manilov said.

Moreover, in addition to claims on part of the Army and Navy's property, some republics are making attempts to inventory military property in military formations and other military facilities. "It is absolutely inadmissible from the point of view of the law," the general said.

Issues of defence and building of the Armed Forces is "the prerogative of the Soviet president and the State Council," the general stated. Attempts to break the single system of the centralized command are inadmissible since they are able to destabilize the situation and make irreparable damage to the cause of defence and international security.

"On November 14, 1991, the State Council took the decision to preserve the single Armed Forces and their centralized command," Manilov stressed. A status, established for the Union Armed Forces, spreads on military formations, establishments and plants of the Defence Ministry regardless their territorial location.

The general cited a number of substantiated facts of direct attacks on military objects and formations with the aim of acquiring weapons and ammunition, and seizing military-technical property.

"Servicemen and their families are often the object of discrimination, threats and insults," he noted.

The Soviet Armed Forces are the nucleus of the single defence system. Their preservation as single and transformed on the principles of democracy, quality and sufficiency, corresponds to key and vital interests of all the peoples of our country.

"Only in this way the guaranteed provision of collective security with minimum use of means and resources is possible," General Manilov said in conclusion.

More on Manilov's 'Commentary'

LD2111151291 Moscow Central Television First Program Network in Russian 1300 GMT 21 Nov 91

[Commentary by Lieutenant General V.L. Manilov, head of the Information Directorate of the USSR Ministry of Defense]

[Text] [Announcer] A joint statement by the country's Ministry of Defense and Ministry of Internal Affairs was published the day before yesterday about the nationalization of property and weapons belonging to the Army, Navy, and Internal troops which has been declared by a number of republics, and its seizure. A commentary by the USSR Ministry of Defense:

[Manilov] Publication of this document was dictated by real conditions which have sadly developed around military units in certain republics. The point is that in spite of the legislation which is in force, the Constitution of the country, and the laws on property in the Soviet Union, in some republics—and you are well aware in which—Azerbaijan, Moldova, Georgia, Ukraine—steps have been taken, acts performed, and actions are being taken which run counter to the requirements of the Constitution and the requirements of the legislation which is in force.

There are a great many instances of direct encroachment and attack with the aim of seizing weapons or taking servicemen of the Armed Services and the internal troops hostage. Clearly this situation cannot continue. After all, these are people—and people carrying weapons. Servicemen have the right, acting within the law and after firing warning shots into the air, if we are going to be specific, to use their weapons. I think this is a very serious warning. Servicemen will act in accordance with the law and its tenets to protect the property of the Armed Forces, their honor, and dignity.

Ministries' Position Viewed

PM2011172391 Moscow IZVESTIYA in Russian 21 Nov 91 Union Edition p 1

[Military correspondent V. Litovkin article: "USSR Defense Ministry and Ministry of Internal Affairs in Resolute Frame of Mind"]

[Text] Our newspaper already has reported on the USSR Defense Ministry's official position regarding the claims of certain republics to combat hardware, armament, and property of the Soviet Army. The country's Ministry of Internal Affairs has sided with that position.

The two ministries' statement (and presumably the USSR president and Russian president are aware of it) says: Despite the fact that the USSR State Council at its 14 November sitting adopted a decision to preserve united Armed Forces, and also determined the basic guidelines for the reform of the USSR Ministry of Internal Affairs and the ministry's internal troops, some republics are adopting legislative acts and taking actions aimed at disrupting the system of defense, undermining the unity of the Armed Forces, and weakening centralized management and unified leadership.

The USSR Defense Ministry and Ministry of Internal Affairs view all these actions as unconstitutional and unlawful. They have stated that they will resolutely and firmly counteract them in accordance with existing legislation.

The statement says that in the present exceptionally complex sociopolitical situation, instances of irresponsible, unlawful, and sometimes even frankly criminal actions regarding servicemen are utterly intolerable and extremely dangerous. Military contingents in a number of places are being made the target of unseemly political games and servicemen and members of their families are being subjected to discrimination, insults, and threats.

There is special concern at the situation in those places where anti-army actions are being organized and conducted on the initiative of officials, and organs of state power are being involved in carrying them out.

In a number of republics there have been numerous impromptu attempts to take control of arms dumps, military hardware and property, and buildings and installations of army units. Here demands to transfer weapons and equipment are being accompanied by threats to cut off water, fuel, and energy supplies to military units and camps.

The most serious threat to stability and internal security is posed by attacks on military units aimed at seizing weapons, armored equipment, munitions, and military property. In some regions there have been cases of the theft of the armaments and virtually all the property of military units. It is only the restraint of officers and men that is making it possible at the moment to avoid bloodshed and many casualties.

Such facts, the Defense Ministry and Ministry of Internal Affairs state, cannot be tolerated any longer. They are fueling an already exceptionally tense situation and could have the most unpredictable consequences. No one should be in any doubt that servicemen have every right to legitimate defense, up to and including using arms in the manner prescribed by the law and the regulations. In this respect, full responsibility rests on those who incite, organize, and commit unlawful actions.

The two ministries' statement does not mention specific republics or their leaders, but you do not need great powers of analysis to deduce that it refers to the peremptory legislative acts adopted in the Ukraine, Moldova, Azerbaijan, and Georgia on the privatization, "nationalization," and inventorying of the property of the country's armed forces stationed on their territory.

These acts cannot be viewed or contested from the legal, economic, and moral viewpoints—but one thing is clear: They proclaim and assert uncivilized, neo-Bolshevik, and essentially bandit-like methods. This is not how one should treat all-Union property, let alone the Army. This could lead to serious complications, even bloodshed.

The leaders who issue decrees on the privatization of the Army (for whatever political or other purposes) do not understand or do not want to understand that each military unit is a protected and defended installation. The officers and men are subordinate to and obliged to obey the orders of their commanders and those organs to which they have taken an oath. And encroachments on protected territory and property may be answered with fire.

The current regulations of garrison and guard duty, which have been affirmed in law by the country's Supreme Soviet, instruct a sentry that when strangers approach his sentry post he must hail them thus: "Halt! Who goes there?" and then: "Halt! Or I fire!"

If the command is not obeyed, he will fire a warning shot in the air and then shoot to kill. In the event of an open attack on the post or the sentry, the regulations require the sentry to shoot straightaway.

In my view, the official statement of the USSR Defense Ministry and Ministry of Internal Affairs is a kind of sentry's warning cry. I am not going to predict how events will develop next in the republics which have announced claims to part of the all-union Army. But I would very much like to hope that the political ambitions and ultimatums will give way to sober and responsible conduct. And to talks.

Officer on 'Disastrous' State of Readiness

*LD2011185191 Moscow TASS in English
0940 GMT 20 Nov 91*

[Text] Moscow November 20 TASS—In an interview with a NEZAVISIMAYA GAZETA correspondent a former nuclear submarine commander Captain First Class Anatoliy Gorbachev said the Soviet Navy is in a disastrous state of readiness.

The Soviet Navy will lose up to 85-88 per cent of its ships in combat involving conventional weapons, which would be a total catastrophe, the submarine captain said. The Soviet submarines are noisier than American subs by 6-50 times. The effective range of Soviet radar and detection equipment is approximately 11 times less than comparable foreign instruments. The surface fleet is protected neither against foreign low-noise subs nor cruise missiles. They have so many drawbacks, beginning with bad acoustics and ending with obsolete electronic warfare devices. Soviet aircraft carrier planes have a range 15 times lower than that of foreign carrier aircraft.

The newspaper introduces Anatoliy Gorbachev as a rebel commander whose estimates have more than once caused "extreme anger of admirals and military-industrial complex chiefs".

Moscow TV Notes Army 'Target' of Criticism

PM2011163791 Moscow Central Television First Program Network in Russian 2207 GMT 17 Nov 91

[From the "Television News Service" newscast]

[Text] Today is Rocket Troops and Artillery Day. Of late our Army has been the favorite target for fault-finders. As a rule it is only on holidays that they can see reports on television or read articles in the newspapers about the courage and exploits of the Russian soldiers who paid with their lives for our country's victory in the last war and its survival to become a great world power. Once again glory to the heroes, to the artillerymen and missilemen.

Baltic Affairs

Baltic Trade Center To Be Established

OW2011225191 Moscow BALTFAX in English 2009 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] It was said at a news conference in Tallinn November 20th that on Tuesday [19 November] representatives of the three Baltic states decided to set up the Baltic Trade Center. Its main aim will be to coordinate the stock exchange legislations of the three republics and to promote industrial cooperation and standardization.

Estonian Premier Edgar Savisaar pointed out that cooperation between the Baltics has reached its "culmination" in this century. At the same time he acknowledged that the creation of a full-fledged Baltic market would be a long process. In his words, "it is necessary to overcome major internal conflicts."

Mr. Savisaar noted that Estonia "has already passed the shock therapy period."

Estonia

Republic To Create National Rescue Service

OW2011204791 Moscow BALTFAX in English 1739 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] In an interview with BF [BALTFAX] Harrii Hein, general director of the Estonian Rescue Service Department, said "the fact that a Soviet civil defense regiment is leaving the town of Johvi with all its equipment and arms significantly complicates the creation of the Estonian rescue service."

Earlier, Estonian Prime Minister Edgar Savisaar and Soviet Defense Minister Evgeni Shaposhnikov signed an agreement transferring the regiment's weapons and equipment to Estonia.

Mr. Hein said that in this connection Estonia had sent notes of protest to the Soviet side. However, he notes, the situation should not be dramatized. "I think this is a good lesson to us. The incident with the regiment clearly shows where new blows can come from," Mr. Hein said. In his opinion, in response the Estonian Government could take control over all transport communications of the Soviet Army on Estonia's territory and the property currently being withdrawn from the republic.

Mr. Hein told BF that Estonia is now creating its own rescue service similar to those in the West.

In 1992 the republic will start training professional field engineers. Mr. Hein said Soviet Army and Swedish Rescue Service specialists pledged help in their preparation.

Economic Agreement Signed With Poland

LD2011224591 Warsaw PAP in English 2148 GMT 20 Nov 91

[Text] Tallinn, Nov. 20—An intergovernmental agreement on economic cooperation and trade between Poland and Estonia was signed on Wednesday [20 November] during a one-day visit paid to Tallinn by Poland's Deputy Prime Minister and Finance Minister Leszek Balcerowicz.

Leszek Balcerowicz was invited by the Estonian Government to attend the inauguration of the international economic forum Baltic 91 held here to formulate market economic policies for the Baltic states. He presented to the meeting the assumptions and the course of economic transformations launched in Poland.

Balcerowicz also met on Wednesday with the president of Estonia, Arnold Ruutel, and with the country's Prime Minister Edgar Savissar to discuss prospects for intensified contacts between Poland and Estonia.

Later in the day Deputy Premier Balcerowicz met with Estonian newsmen to answer questions about Polish reforms and chances for development of Polish-Estonian cooperation.

Polish Minister for Foreign Economic Relations Dariusz Ledworowski, accompanying Leszek Balcerowicz during his visit to Estonia, signed with Estonian Trade Minister Aleksandr Sikkal an intergovernmental agreement on economic cooperation and trade. Estonia is interested in the import of Polish coal, medicines and agricultural produce, and offers to export textiles, electrotechnical equipment, household appliances and canned fish.

While referring to the signed agreement Leszek Balcerowicz said that changes started in Estonia, such as privatization and liberalization of prices, created conditions for the development of relations with foreign countries, Poland included.

Latvia

Republic To Prosecute 10 Ex-OMON Members

OW2011221991 Moscow BALTFAX in English 2009 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Rita Aksenoka, head of the Latvian Prosecutor's Office investigation board, told BF [BALTFAX] that a maximum ten members of the former Riga OMON [special purpose militia detachment] special unit would be put on trial. One of the unit's leaders Viktor Parfenov was detained in the Tyumen region of Russia and taken to a Riga prison. Aksenoka says the warrants to arrest three more former OMON members have been issued.

After the failed August coup the Riga OMON involved in illegal activities in Latvia during its struggle for independence was transferred to the Tyumen region. However, some of the unit members did not come to the new place of service. Many of them are still hiding.

Ex-Communist Party Leader Views Arrest, Trial

OW2011162091 Moscow BALTFAX in English 1447 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] "I consider myself to be a political prisoner because the indictment presented to me mentions no practical actions on my part and cites only my assessments of one event or another", Alfred Rubiks, leader of the former Latvian Communist Party, told BF's [BALTFAX] correspondent.

Alfred Rubiks was arrested on August 23, right after the abortive coup, on charges of involvement in a conspiracy designed to overthrow Latvia's lawful government bodies. At the moment he is the only occupant of a 4-bed cell in Riga's detention center where our correspondent interviewed him.

His health is normal, and he has no complaints as to the conditions of detention, A. Rubiks said. He has not been visited by his relatives, and he does not insist on being visited, "because such meetings would be too painful, and he is apprehensive of them", he said.

He views his arrest as unlawful, since at the time of detention he had a Soviet diplomatic passport. Besides, he was a member of the Supreme Soviet and a USSR people's deputy.

According to him, all this was not taken into account, since Latvia had seceded from the USSR. That is why only one road was open to him: attract public attention to this lawlessness by means of staging a month-long hunger strike.

According to Rubiks, if his trial is open and fair, his innocence will be proved. Currently his lawyers are Ogurtsov of Riga and Torgashev of Moscow. Soon they'll be joined by an American lawyer of Latvian descent, Berzins.

The former leader of Latvian communists declared that he had never opposed his republic's independence; he only believed that that problem had to be resolved by constitutional means. Rubiks said that the present government's endeavours in the economic area are right. However, he described the latest draft bill on citizenship as "not the most democratic." "Almost one half of Latvia's population are Russian speakers. So to infringe on their rights and say that they are invaders and immigrants only because they came to live here after 1940 is inhuman", said A. Rubiks. Nevertheless he does not expect that ethnic relations in the Baltic region will aggravate.

He believes that the decision to suspend the Latvian Communist Party taken by the local authorities was too hasty, since they identified the Latvian Communist Party with the CPSU as a whole. Rubiks does not believe that it's necessary to give up the idea of socialism.

Erik Zweinieks, Riga's first deputy prosecutor who is the new leader of the group of investigators dealing with the case of A. Rubiks, has told BF's correspondent that this is a very complicated case.

The former leader of the investigating group, head of the department for particularly important cases of the Latvian chief prosecutor's office Rita Aksenoka, said that charges against Alfred Rubiks are based on the article that was in force in Latvia at the time when the crime was committed: Article 52 of Latvia's criminal code concerning treason. It envisages 10 to 15 years in prison.

Some 1000 people have been interrogated in connection with the case of A. Rubiks, said R. Aksenoka. Numerous documents were confiscated from the safes of the party's central committee which had no time to destroy them. According to her, the most complicated factor faced by the investigators is the fact that they have to deal with liquidated organizations: the central committee of the Latvian Communist Party, the KGB, the prosecutor's office of the Latvian SSR, and the like.

R. Aksenoka believes that Rubiks was aware of the plans to overthrow Latvia's Government even before the August coup and got prepared for it. She links his name with such organizations as the All-Latvia Salvation Committee formed in November of 1990 and with the committee for protecting the Constitution of the USSR and that of the Latvian SSR [Soviet Socialist Republic]. "Rubiks was directly involved in those organizations", said R. Aksenoka.

Supreme Council Confirms Two New Ministers

LD2011050291 Riga Radio Riga Network in Latvian 1400 GMT 19 Nov 91

[Text] Deputies of the Supreme Council are today hearing the candidates for ministers and deciding on their appointment. Already confirmed as Minister of Economic Reform is Arnis Kalnins, and Aivars Millers as Minister for Industry and Energy.

Lithuania

Prime Minister on Talks With Silayev

LD2111045891 Vilnius Radio Vilnius in English 2230 GMT 19 Nov 91

[Text] Prime Minister Gediminas Vagnorius defined his meeting in Moscow with the chairman of the Soviet Interrepublican Economic Committee, Ivan Silayev, last weekend, as the initial step in consolidating Lithuania's stand on Soviet foreign debts.

Lithuania pledges to pay back the credits that were received by Lithuanian enterprises but refuses to take the

1.2 percent share or $700 million, of the total Soviet debt which Moscow seeks to shoulder [as heard] on Lithuania.

According to Gediminas Vagnorius, the Soviets have not declared they agreed with the Lithuanian position, but they have not rejected it either.

During the visit in Moscow the Lithuanian delegation made steps to clarify relations with the new economic union of the former Soviet republics and suggested that the volume of the present reciprocal supplies of materials and goods should be preserved in the first quarter or half of next year.

Defense Call-Up To Finish 30 Nov

LD2111052891 Vilnius Radio Vilnius International Service in Lithuanian 0200 GMT 20 Nov 90

[Text] Since 30 October about 2,000 young men have been called to the regular Lithuanian defense service. They will protect the state borders and prisons. About 1,000 more young men were called up to alternative service. About 150 young men have been selected for the honor guard, which will take part in the receptions of foreign guests and other solemn ceremonies.

The call-up to the defense service is to be concluded by the end of this month.

High-ranking Defense Ministry officials Ignas Stankovicius, Norbertas Judrickas, and Jonas Gecas, who took part in a news conference today, support the opinion that the Soviet Armed Forces should pay compensation for the losses that the Lithuanian Armed Forces suffered in 1940.

Before the occupation, the republic's armed forces had enough firearms to arm 130,000 soldiers, 124 aircraft, about 100 armored vehicles, and several hundred pieces of ordnance. According to the news conference's participants, if the Soviet Armed Forces withdrawing from Lithuania would return the abovementioned amount of ammunition then this would be sufficient enough for the current reformed Lithuanian armed forces.

Prime Minister Announces Price Liberalization

LD2111050691 Vilnius Radio Vilnius in English 2230 GMT 19 Nov 91

[Text] Speaking on the national TV, Prime Minister Gediminas Vagnorius characterized the current liberalization of prices as a major step towards market prices which was certain to narrow the existing gap between prices state-fixed for manufacturers and those at market. According to the prime minister all the profit owing to that price gap was pocketed by black marketeers. As of today the majority of prices will be set by manufacturers and tradesmen themselves. The average price rise of consumer goods is 40 percent. In case prices go up higher than foreseen, the government intends to introduce extra measures to balance social security.

Poll on Presidential Preferences Conducted

OW2011162891 Moscow BALTFAX in English 1447 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Last month the sociological research department of Lithuania's radio and TV conducted public opinion polls as to the expediency of presidential elections and the possible candidates.

48% of respondents expressed doubt as to the need to elect Lithuania's president.

30.9% of those who were in favor of instituting presidency gave preference to the chairman of Lithuania's parliament Vytautas Landsbergis.

16.7% of those questioned preferred Algirdas Brazauskas, leader of the Democratic Labor party, and 5.8% Lithuania's prime minister Gedivinas Vagnorius.

25.8% of non-Lithuanians spoke in favor of A. Brazauskas, 15.8% were for V. Landsbergis and 9.4% for the former Lithuanian Prime Minister Kazimiera Prunskiene.

Parliament Faction on 'Organized Underground'

OW2011131891 Moscow BALTFAX in English 1130 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The center faction of Lithuania's parliament has issued a statement in connection with recent allegations that there is organized underground in Lithuania.

The statement says that some periodicals have taken to searching for "enemies of the people" instead of analysing the various shortcomings objectively, and that the government newspaper "Lietuvos Aidas" resorts to insinuations.

"There is nothing simpler than to declare that in the process of gaining independence the number of its enemies grows and their resistance strengthens," said the authors of the statement.

The center faction calls for adopting at once a decree on the work of the state control department and for passing a law concerning KGB agents and informers.

The core of the center faction in Lithuania's parliament consists of Social Democrats. The factions's leader Aloizas Sakalas is the chairman of the Social Democratic party.

Sajudis Demands KGB-Linked Officials Resign

OW2011221891 Moscow BALTFAX in English 2009 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] "Sajudis" supports a decision of the Lithuanian Government that all former KGB collaborators and informers should resign, as well as the proposal to question state officials, journalists and pedagogs about their links with the KGB.

In this connection, "Sajudis" issued a statement November 20th suggesting that the parliament demand the resignation of officials connected with the KGB from the ruling bodies of all parties and movements.

The Forum for the Future Lithuania has also made public a statement on the problem demanding that people involved in the removal of documents from the former KGB building in Vilnius should be immediately revealed. The statement points out that the reponsibility for the incident lies with the parliament and the government. The forum also demanded the resignation of deputies formerly involved in the KGB activities.

Cepaitis Refutes Allegations on KGB Ties

LD2111100791 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 19 Nov 91

[Excerpts] As you have previously heard on the news, Virgilijus Cepaitis, Lithuanian Supreme Council deputy and chairman of the Independence Party, today refuted accusations that he had colloborated with the Soviet Security Committee.

We have the opportunity to air the statement made by Virgilijus Cepaitis at the parliament session:

[Begin Cepaitis recording] This week, I am experiencing approximately the same feeling that I experienced 30 years ago when the KGB first interrogated me: Admit that you have had contacts with [words indistinct] intelligence services; Admit that you wanted to undermine Soviet authority; Admit it! Admit it! Just as in Vishinskiy's day, the act of indictement is based upon confession.

It is a pity that this campaign sees the active participation of leaders of the fraternal parties to the Independence Party—the leaders of the Christian Democrats and Nationalist parties. I think that in time we shall assess these parties.

[Words indistinct] the KGB has attained its goal. The destruction of the Supreme Council begins, when documents, real or fabricated, are produced from bottomless pockets concerning yet more of our colleagues. Some of the left-wing deputies could have, not so long ago demanded from that same KGB each case and even put some orders in for collection of compromising material concerning every individual in Lithuania.

Following my brief television statement the day before yesterday, I received a call from the Norwegian parliamentarian, [name indistinct]. He told me that if we, Lithuania, would transfer these questions into the juridical area, we may perhaps succeed in avoiding that which was done in other post-communist states.

Following similar accusations in Bulgaria against the right-wing deputies, they were thrown out of parliament. Later, it came to light that some of the documents were fabricated and all archives were closed for a 30-year period.

Similar stories took place in Germany and Czechoslovakia. We could become the first decommunistizing country where a similar fate could be avoided, if similar cases are immediately investigated by the law and order bodies.

I have read the following statement to the General Prosecutor of the Republic of Lithuania, Mr. Arturas Paulauskas.

A statement: [passage omitted] In view of the fact that similar articles concerning state officials may cause the destabilization of the political situation in Lithuania, I request the general prosecutor, being mindful of state interests, to clarify where the documents and the audio tape were obtained, to analyze its authenticity, and to deliberate questions of the criminal responsibility of the individuals who supplied this material.

Respectfully yours,

Virgilijus Juozas Cepaitis.

In addition to the above, I shall request the Procuracy in the near future to institute proceedings against the newspapers MAZOJI LIETUVA and RESPUBLIKA, charging them with violations of honor and dignity.

Moreover, in conclusion I utter the sentence which you demand of me: No, I have not been a KGB agent! [end recording]

Party Group Demands Cepaitis' Resignation

OW2011131491 Moscow BALTFAX in English 1130 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The council of the Kaunas organization of the Party of Independence demands that its chairman Virgilius Cepaitis resign without delay. The council issued a statement, pointing out that his links with the KGB which he concealed from his associates discredits the party as a whole.

The Kaunas organization urges all party members to gather in Kaunas on November 23 to discuss the situation in Lithuania and within the party.

Faction Demands Security Chief's Resignation

OW2011131791 Moscow BALTFAX in English 1130 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The Liberal faction of Lithuania's parliament (BF [BALTFAX]: its leader is Eduardas Vilkas) demands that the deputy prime minister and director general of the security department Zigmas Vaisvila step down. The liberals submitted their demand to the parliament's secretariat and to Vaisvila himself.

They maintain that the deputy prime minister is incompetent, that he abuses power and fails to comply with legislation and that he is incapable of keeping Lithuania's law-enforcing agencies under control.

Ministry Says Republican Party Suspended

OW2011142091 Moscow BALTFAX in English 1130 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Lithuania's Justice Ministry has said that as of November 18 the Republican Party of Lithuania is suspended.

This decision was motivated by the fact that last spring a split took place in the party: alternative leading bodies were formed, and they began to publish statements which often contradicted each other. This was misleading in the eyes of the public. Such actions repeatedly violated Lithuania's law on political parties.

To rectify the situation Lithuania's Justice Ministry decided to suspend the party till February 1, 1992.

BF's [BALTFAX] correspondent reports from Vilnius that the Republican Party of Lithuania was registered last February. It played virtually no role in the republic's political and public life.

Nuclear Power Plant; Oil Resources Noted

LD2011223391 Vilnius Radio Vilnius in English 2230 GMT 18 Nov 91

["Nature Book" program feature, "Ecological Update"]

[Excerpts] It was exactly six weeks ago that Lithuania's sole nuclear plant in Ignalina passed from Soviet to Lithuanian jurisdiction. This makes Lithuania the owner of two of the 16 Chernobyl-type reactors which had been based on the territory of the former Soviet Union. Under these new circumstances the question naturally arises—can Lithuania, which until now did not have any of its own specialists in this area, guarantee the qualified control, servicing and safe exploitation of the Ignalina nuclear power station?

The scientific community in Lithuania is agreed that this latter development, that is the passing of the nuclear power station into the full control and jurisdiction of the Lithuanian authorities, came almost too suddenly and unexpectedly. In a way Lithuania was not fully prepared for it. (Jurgis Vilemas), director of the research institute of physical and technological energy has most recently stated in the press that due to an obvious blunder of the former government absolutely nothing has been done in providing special training courses which would enable local specialists to service and control the safe functioning of the nuclear power station.

According to Dr. (Jurgis Vilemas) six West European countries—Great Britain, France, Italy, German, Sweden and Finland—have set up a consortium in order to help former Soviet republics to improve the safety of the Chernobyl-type nuclear power plants. Through its mediators, Swedish power engineering companies have expressed their readiness to organize a special team for the servicing of the Ignalina nuclear power station.

At present, the most important task that faces this station and its staff is to create a group of experts which would guarantee the safe exploitation of the Chernobyl-type reactors, otherwise known as the RBMK type [as heard]. [passage omitted]

The discovered deposits of oil in Lithuania are quite substantial, estimated in monetary terms to equal a total of $850 million. Thus Lithuania could satisfy its needs for two decades, given that the annual consumption rate was the equivalent of 6 to 7 million tons. Up till now the Mazeikiai oil refinery, which is the largest in the Baltic states, processed a twice larger quantity, but only a small part of the oil products went to Lithuania, most of them being exported to the West and a certain amount going to the Kaliningrad region, Latvia, and Estonia.

Early last spring a state-owned oil company in the western Lithuanian town of (Gorokstei) signed a protocol with a Swedish-based petroleum corporation on the joint exploitation of Lithuanian oil with its being refined in Sweden. Later this week the Swedish side is expected to hand in the final draft of the contract which should be signed at the beginning of next month.

Federation Affairs

Yeltsin Comments on Government Policies, Tasks

LD2111002191 Moscow Central Television First Program Network in Russian 1926 GMT 20 Nov 91

[Interview with President Boris Nikolayevich Yeltsin by reporter Sergey Medvedev; date and place not given; from the "TV Inform" newscast—recorded]

[Text] [Medvedev] Great changes have been taking place in the political course of the Russian Soviet Federated Socialist Republic [RSFSR], especially recently. We are all witnessing this. Since the August putsch, I think that RSFSR President Boris Nikolayevich Yeltsin has not had the chance to directly communicate with television viewers. I do not know whether that is our fault or whether the president could not find the time for it, but so many questions have built up and so many letters. On his desk, Boris Nikolayevich has many of them. Today, Boris Nikolayevich is ready to answer your questions. Is that not so?

[Yeltsin] I do, of course, agree that it has been a fairly hard and difficult time, both during the putsch and after it. Nevertheless, I stand before the people of Russia, before television viewers, guilty of the fact that I have not appeared for several months. I have not been on TV. That is not your fault; it is my fault.

[Medvedev] First, people are interested—and these are the questions we come across most often—in what is to happen from now on to our economy? What will happen to all of us consumers and citizens of Russia in the future? Will there be many changes? Perhaps we could start with the economy.

[Yeltsin] Yes, but it is probably not only consumers who are interested. We must include manufacturers and producers of both goods and products. Perhaps, before moving to the economy, I could say a little about the government, if you do not mind.

[Medvedev] Who will....

[Yeltsin, interrupting] About the new government, yes. A new government has been formed. Moreover, we have taken the line that this government has a very simple structure—uncomplicated and streamlined—so that there is a minimum of bureaucracy in this structure.

Why did that government not work as it should have? Various squabbles and some political free-for-alls started, none of which helped with the matter in hand nor helped the people of Russia. They spent most of their time arguing with each other, seeing who could push whom and in what direction.

In this team, the age range is 35 to 50. This is the new team. This is a team that really understands each other. This is a team that has drawn up the program for these reforms. Already they are sticking together. Now they need to implement this program. I would like to defend them....

[Medvedev, interrupting] And support them?

[Yeltsin] And support them. But support them in what way? By becoming head of the government because judging from the experience of many countries in the world during these reforms, we need such reforms. We have waited seven years for ours from the Union and they still have not materialized. Only now, after the putsch, has this minefield been cleared so we can proceed very vigorously with the reforms.

During these reforms, the government may make two or three changes. I would like to defend these changes so that at the first stage, when there may be a temporary deterioration of people's lives, it does not collapse.

[Medvedev] About the team: It seems to me that you have antagonized many by your decision to head the cabinet. Is this so?

[Yeltsin] Perhaps I have antagonized the orthodox.

[Medvedev] Much criticism is being heard now along the following lines: There are too many scientists in this team who are far removed from practical work.

[Yeltsin] No. There are also industrial workers. There are managers of factories. All of industry will be run by Titkin, the manager of the Tula factory. He is a young and energetic man. He carried out privatization. He received an international prize for privatization—and in our country of all countries.

That is why I do not agree. There are both scientists and practical people. There are also people with state experience. On the whole, these are people who have decided to take upon themselves at this very crucial time this burden, and....

[Medvedev, interrupting] Realizing full well that if they fail—and we cannot altogether rule out such a possibility—then will they have no more chances to show their worth at this level?

[Yeltsin] It is in this that the true value of this team lies—in assuming this responsibility.

[Medvedev] Will you battle to the end—can it be put like that?

[Yeltsin] Absolutely. There is simply no other way out. After all, I understand. I am being asked this question: But if it does not work out? I am telling you that that will not happen. I believe, after all, that it will work out. No, again I am being asked: What if? Well, it is understandable that in that case we will all leave, myself included. This is the last chance. This is being said by everyone in the world and in our country: the last chance. We see that the Union is not working out; something there is impeding the reforms.

This is our last chance. Everybody in the world as well as in this country says this is the last chance. We can see that the Union is not doing well. Something is skidding and the reform is not going well. Russia should start moving forward and then drag other republics along with us accordingly. This should happen by agreed actions. In any case, we should start these reforms. The first meeting of the government, which was held on 15 November, adopted 14 decisions, resolutions, and instructions. All of them were signed.

[Medvedev] For many this was out of the blue because it was a whole package of decrees. It seems to me that such a number of decrees has not appeared before. Perhaps only in the first years of Soviet power did such a large number of decrees, normative acts, and documents appear. There are many decrees. Perhaps we will try to talk about some of them in detail because....

[Yeltsin, interrupting] Let us do that.

[Medvedev] To a large degree, the life of each of us, of each citizen, depends on how the decrees will be implemented and how they will work. On the whole, the distant decree—as it seems to all of us at first glance—on liberalizing foreign economic activity might hit enterprises and manufacturers as well as consumers very badly if it does not start working or works in a different direction.

[Yeltsin] Sergey Igorevich, I understand that interrupting an interviewer to go in a different direction from the one he has in mind is not generally done here, but can I change the rules of the game?

[Medvedev] Certainly.

[Yeltsin] I would like to start with the fact that if the reform is to be introduced, it should start in the social sphere; that is, with social protection of people. This reform will bring a deterioration of life to people for half a year. Only by autumn, as I said, will improvement start. Therefore, in anticipation, we should have made the decision on how to protect those who are particularly needy. Therefore, a relevant decree has been issued. The first step is to abolish all bans on the upper wage limit.

[Medvedev] At last.

[Yeltsin] At last. We have been living under these bans for 74 years. You make 300 rubles and cannot earn 301 rubles.

[Medvedev] Naturally, many tried to get around this and tried to find a second job by moonlighting or working in the daytime to the detriment of the main job.

[Yeltsin] Hence abuses, crimes, corruption, and more. In addition, we scrapped the so-called consumption fund, which is a percentage of marketable output. In other words, we made it possible for enterprises to decide together with the trade unions the level of pay they want to set.

[Medvedev] So you untied enterprise management's hands?

[Yeltsin] This is true. From the start we opted for a market in pay. We freed pay from the outset. Additionally, we protected the budget sphere. Things like public education, the health service, culture, science, the law enforcement bodies, etc. cannot depend on output. We raised their pay from 1 December by 90 percent of pay rates, and we established pay levels.

[Medvedev] So pay is practically doubling.

[Yeltsin] This is also all anticipatory prior to the transition to free wholesale, procurement, and retail prices, with the exception of the list of items we feel should not be freed: strategic raw materials, oil, coal, shale, and various fuels, including gasoline. Then there are the retail prices. What items are going to have fixed prices?

[Medvedev] Yes, that is very interesting.

[Yeltsin] Bread, milk, salt, vodka. I am glad you are not smiling!

[Medvedev] No. This is serious business.

[Yeltsin] Yes, it is absolutely serious. Then there is gasoline, kerosene, and children's food.

[Medvedev] Does that mean that prices will remain as they were, or are they going to go up slightly?

[Yeltsin] They will go up slightly, but they will be set by the state. All remaining prices will be free prices. If you look at the experience of Bulgaria, Czechoslovakia, Mexico, Brazil, Italy, and Spain—very many countries.... What?

[Medvedev, interrupting] May I add Lithuania?

[Yeltsin] They do not have any experience with this yet.

[Medvedev] We all look to them because they are running ahead of us by three or four weeks.

[Yeltsin] Yes, they already have free prices. It has to be said that they have had them for two months now and things are already beginning to improve there.

In those countries as well, there was a rise of about two to three times over two or three months. Then prices stabilized. Then there was a fall in prices. That is what kind of curve there was. In Russia we cannot count on this, that in two or three months....

[Medvedev, interrupting] Will our curve be a steep one?

[Yeltsin] No, it will not be so steep since it will be of greater duration; that is, I think it will not be two or three months but about six months.

[Medvedev] You are not scared to give dates now?

[Yeltsin] If you are frightened now, then you should not be working on this at all. I repeat: We are moving—

imagine this—along a small path in a large ravine, along the most narrow path possible. We have no way out, and one leg is already hanging over the cliff. We are on the edge of collapse in everything—financially, economically, the whole system. There is no way out. This is the last chance, and it must be bravely seized. Therefore, it is not about personal fear for myself or my family. It is a pity that for seven years we have only thought about ourselves, or so some people thought.

[Medvedev] I honestly like very much—and I think that the viewers will support me in this—the fact that you have not renounced your decisiveness. As before, today we see the same decisive, energetic Yeltsin. This is very important to see and feel this, especially in this difficult situation. Let us return to where we began. You have taken the first steps on....

[Yeltsin, interrupting] On social protection. I would like to talk a little more about this.

[Medvedev] On social protection. Were these forced steps, or was the aim of your strategic policy to begin with this?

[Yeltsin] This is the goal. This is the goal. If we do not begin the social protection of the population beforehand, then when we free prices we will force an existence on some people in which they will simply starve and there will be poverty.

[Medvedev] Incidentally, the minimum wage has been set at 200 rubles. It is impossible to survive on 200 rubles now.

[Yeltsin] No. We even have in mind that if in January we see how prices rise, then in January we can already raise the minimum wage.

[Medvedev] What? The printing presses are going to start up again by printing money at twice the speed?

[Yeltsin] No.

[Medvedev] Where is the money going to come from?

[Yeltsin] I understand. It is not about this. The fact is that we consider now that free prices will have an influence on competition and rivalry. We are now liberating ourselves from all the barriers in the way of enterprises. We will simply produce more products. There will be more demand, more goods, and more production. The rise in wholesale prices increases the interest of manufacturers in producing more than they do at present. We are not liberating all prices in agriculture. At present bread supports many farms—hundreds and hundreds of farms. They fulfilled plans.

[Medvedev] They are afraid about what might happen to them.

[Yeltsin] That is what I am telling you. They fulfilled the plan. They settled their accounts with us. We cannot force them. As soon as we announce free prices on agricultural products....

[Medvedev, interrupting] And the grain exchange starts to function...

[Yeltsin, interrupting] And the grain exchange starts to function, then they will immediately sell their grain. I must tell the people of Russia that yesterday, looking at the issue of foodstuffs, at the prospects for the first quarter and for the month of December, there are no fears about flour, about bread. There are no fears on this count. We are obtaining some through imports. We are buying it, as our agricultural year has not been successful; rather, it has not been a good agricultural year. We are purchasing and will be purchasing something in the region of 25 million tonnes of grain.

As you can see, the Union structure is not expanding; instead, 80 ministries have been abolished. It is not clear who will be occupied with this for the time being.

We have started direct moves. We are buying grain in Canada and in other countries. We are already importing grain. We have now agreed on 1 million tonnes of flour from Italy. There is no doubt that bread will be provided. We will not fail in this area, but in regard to other foodstuffs there are stoppages. People need to somehow....

[Medvedev, interrupting] We need to prepare for this.

[Yeltsin] Yes, people need to show restraint because now strikes will not resolve anything. Why? Because these resources simply do not exist. Yes, of course we will try to find them by means of imports, and we are being given credits and humanitarian aid. A special humanitarian aid committee has now been organized for us to ensure that this produce does not find its way onto the black market. Last year such incidents took place.

[Medvedev] These goods have only now been uncovered.

[Yeltsin] Yes, that is absolutely right. States were helping us, but we could not find out where the goods were.

[Medvedev] Boris Nikolayevich, are we going to starve?

[Yeltsin] No, we are not.

[Medvedev] This is what is under discussion now.

[Yeltsin] No, it will not come to starvation.

[Medvedev] Huge headlines in newspapers still frighten readers.

[Yeltsin] Well, the media is free now, so they can frighten people with what they want. They also use Yeltsin, calling him a dictator. Did that not happen?

[Medvedev] It is still happening.

[Yeltsin] It is still happening. I cannot imagine how one can implement a reform directed at democratization and improvement of life in the future without having power—vertical power. We are creating this vertical power now, from the president and executive power to the very bottom. There should be responsibility. If somebody does not fulfill his responsibility, he must be accountable. This is the case in any democratic, civilized state. We say: Well, power already means a dictator. Why? Power is legal, and demands are legal. If someone is a criminal, he should be legally accountable. I have signed a decree on combatting crime and corruption. Very tough measures will be taken now in this respect, but this does not mean that I am a dictator.

[Medvedev] There should be order. Today, unfortunately, you have rightly noted, and we all can see, that those who occupy positions do not take responsibility. They do not take responsibilty. To whom do they report?

[Yeltsin] You see, that is why I have asked the Congress of People's Deputies for the right to appoint local heads of administration. I may appoint someone, but I will fire him if he does not implement a decree or a resolution by the government. I will fire him. I am warning in advance.

[Medvedev] Do you know what people call them behind their backs?

[Yeltsin] What?

[Medvedev] Governors. Is this right?

[Yeltsin] Well, you can call them governor generals. What is the difference?

[Medvedev] Does this mean that you are taking a course of replacing the power of soviets and changing the power system?

[Yeltsin] No, no, this is executive power. A soviet is the legislative part of power, one branch of power, and this is the executive part of power, which should implement decrees, resolutions, and laws adopted by the Supreme Soviet.

[Medvedev] It is they who now have to bear the full brunt of work to implement the package of decrees that has just been....

[Yeltsin, interrupting] Yes and no. They must bear it. The legislative branch, the Supreme Soviet, and the local soviets should take responsibility and work jointly and in harmony. We just cannot manage otherwise. Today, in order to get reform going, we need to change a number of laws—on taxes, for instance. As soon as we free prices, we should introduce a special value added tax. Without that the reform will not work. The Supreme Soviet must rapidly and efficiently consider this law and change it. There are a number of other such laws that have to be changed very urgently now. There is the law on foreign economic activity, which you asked about in the first place. Although I signed the decree, there are a number of things that have to be changed legislatively as prescribed by law. That is because we are effectively giving very great rights to foreign investors under this law. We are opening Russia to foreign capital. We have to open up. We raised the ideological iron curtain at one point. We now need to raise the economic curtain.

[Medvedev] And break down that entire wall.

[Yeltsin] Quite right. Let people and foreign firms come here who have the means and the capital. Let them invest in Russia. Russia is a wealthy country, but unfortunately in 74 years it has been reduced to such a state that people have lost the incentive to work hard. They will teach us to work hard.

[Medvedev] But people are now saying something else. They are saying that Yeltsin is selling Russia off.

[Yeltsin] How can I sell off Russia? If you are referring to the Kuril Islands....

[Medvedev, interrupting] They say he has opened all the doors. Now people can open ruble accounts and buy enterprises and everything lock, stock, and barrel.

[Yeltsin] I am not selling anything off. On the contrary, people come to invest in Russia. In other words, I am buying others, not selling off Russia. I am buying others for Russia.

[Medvedev] There is something in it for them, of course.

[Yeltsin] There has to be some incentive, of course.

[Medvedev] No one would come otherwise.

[Yeltsin] Quite so, but we are not selling off a single piece, a gram, a ruble's worth of Russia. We are, in effect, putting foreign firms on equal terms with our enterprises, which are becoming free today, and that includes the sale of their output.

[Medvedev] We have never had that before.

[Yeltsin] We have never had it before. It has always been a case of the state determining things, the monopoly of the state.

[Medvedev] Incidently, are you not afraid of the following thing. We have already had this happen. Our super cheap MiGs and SU—which I and specialists consider special class planes—have appeared at the Dubai air show. They are being sold five, six, 10 times cheaper than their value. They are being sold that cheap even now.

[Yeltsin] This is an interesting question. I would like to tell you the following. There are two aspects to the question. The right to sell weapons is one thing. I recently had a conversation with President Bush. I asked him what his attitude is toward the fact that we can now sell a range of weapons, especially when budget allocations for defense are being reduced, when these enterprises still have powerful capacities. If the Kalashnikov automatic gun is being purchased from us, then why should we not sell it, if this is very advantageous to us? We will go on selling it. It is another thing whether an export license has been granted. A special committee has been set up to grant export licenses especially for the export of weaponry and military equipment. This license will be granted on the basis of competition or market prices set at a trade fair. The MiG will never be cheap. Tanks will never be cheap. Today some are ready to purchase tanks at $3.5 million for a single tank. We have withdrawn tens of thousands of tanks from the East European countries. I think that a photo of a field full of tanks was published in KOMSOMOLSKAYA PRAVDA.

[Medvedev] The photo was published in MOSKOVSKIY KOMSOMOLETS.

[Yeltsin] Ah ha, so it was in MOSKOVSKIY KOMSOMOLETS. Well, I always start reading a score of newspapers by beginning with MOSKOVSKIY KOMSOMOLETS. This is my habit.

[Medvedev] This is a good advertisement for this newspaper.

[Yelstin] Yes.

[Medvedev] One should understand all this as meaning that the enterprises will not sell whatever to whomever and at a throwaway price in the near future?

[Yeltsin] No, it will not happen this way. They will have the right to sell, but the volume, the price, and the license will be determined by this committee.

[Medvedev] What about the Russian enterprises that can barely make ends meet? It looks as if they will collapse. This is worrying.

[Yeltsin] Perhaps it is time. Since collectivization, from the 1930's on, we have been losing money on collective and state farms. Every year we are providing them with billions and billions in subsidies and compensation, yet they still take out new loans without any accountability.

[Medvedev] They know that they do not have to repay.

[Yeltsin] This is true. They know that in a year the government will pay more compensation. That is enough. That is enough. We are now moving to new economic forms. We now have private property. Let farms develop themselves. Incidentally, we want to give them much support next year, and we have earmarked about 6.5 billion rubles for backing farming with technology to give them a push. There are only 30,000 such farms. That is very few for Russia.

[Medvedev] Yes, there are very few.

[Yeltsin] Yes. As to the ones that are losing money, the collective and state farms that have been making a loss for three, five, or 10 years cannot feed themselves. Why do we have to maintain them?

[Medvedev] Quite right.

[Yeltsin] Of course, they need to be disbanded. Let them go bust and then their land should be handed over to those who want to work on that land; that is, either to peasants or to city dwellers.

[Medevev] Now there is reluctance to take this land because people know that even if money is allocated, there is nothing on sale that this money can buy. You will not be able to find even a mini-tractor.

[Yeltsin] As far as the mini-tractors are concerned, you are right, but we have now ratified a program for some small-scale mechanization of farms. That includes talks between Soviet and German firms. When I go to Germany, we will hold talks to reach final agreement on setting up powerful production of these tractors and technology. We have totally shut down production of tanks at the Kirov works in Leningrad, and we have handed over the enormous 10-km-large workshops with ready-made equipment to the production of minitractors and small equipment.

[Medvedev] In other words, people will not be left out in the street.

[Yeltsin] No, no. We need this as a temporary measure to launch the program by the spring. We have not managed to produce engines in time; therefore, for the time being we have now decided to purchase them for these minitractors. I think we are now ready to get the engines. By the spring the farms will be able to get this equipment. At the same time, we will also help and provide support to those collective and state farms that are working normally, are putting out produce, and are viable.

[Medvedev] So you will not be getting rid of them for good?

[Yeltsin] No, no. Here too there is sometimes speculation to the effect that Yeltsin wants, in general, to break up the collective and state farms so that there are just private farms. No! That is stupid. It is stupid. We now need to proceed to develop that too, and those farms that are working normally, let them work normally. They must be supported, but private farming must be developed. We have an interesting indicator. Right now, since we have obtained less breadgrain and have gathered 20 percent less than usual, the number of livestock has fallen. Farms have been shedding livestock. So what is interesting? Well, take private farms and citizens' private plots. Livestock numbers there have grown, and they have grown by exactly as much as they have fallen in the state sector.

[Medvedev] Let us return to the decrees we started with.

[Yeltsin] Let us say, previously a certain wage level was fixed there, the minimum. Yet we now say: On the contrary, do not stop the growth in wages. That was the wrong ideology—that everyone absolutely had to have their wages restricted and then brought down to the same level. They have to be freed. If a person has earned additional money, has conscientiously earned it, it does not matter whether he gets 1,000, 2,000, or 5,000 a month. It must be paid. If he has earned the money conscientiously and legally, he must be paid. Previously, he could not get it because there were restrictions. The trade union ought to play its part too.

[Medvedev] We journalists had them too. I will let you in on a secret.

[Yeltsin] Oh, I know that. Why do you think that is a secret? I know. You had restrictions too, but you know, you comprise part of the budget sphere. You are in a slightly different position, as it were. In other words, the state must support you, and you too form part of the budget sphere. There is to be a wage increase shortly, from 1 December.

[Medvedev] Incidentally, there is a question. Many....

[Yeltsin, interrupting] So prepare....

[Medvedev, interrupting] I and my colleagues are ready, but there is a vagueness, as it were, in the structures. Who do we belong to today? Let us say, Central Television. Are we Russian or not? It is a question of budget organizations that are, as it were, subordinate to and are under the jurisdiction of Russia. What about the central bodies? Whose are they?

[Yeltsin] That is interesting. [laughs] First of all you are independent. Or at any rate, you ought to be independent from the point of view of your creative activities. From the point of view of financial security, to Russia. Now the large USSR Academy of Sciences has voted, at its general assembly, to go over to Russia's jurisdiction. I thought that was good because one does not feel that fundamental science—this is a great number of institutes, and those are the best brains in the world—we have the strongest science, and they stop financing fundamental science. Russia cannot allow this to happen. That is why Russia takes over the large academy of sciences. It merges with an academy which is now being formed in Russia. Let it be one academy, and we will finance all fundamental sciences, I mean institutes etc.

[Medvedev] Boris Nikolayevich, like it or not, we approached the issue of mutual relations between the center and the republic. Very recently we witnessed the work of republican representatives in Novo-Ogarevo where the draft Union treaty was being discussed. None of us has actually seen it. Its body has not been published, but so far we know only one thing: that there will be something unclear and it has already emerged—this is the abbreviation SSG [Union of Sovereign States]—and that we will now be called a confederation. Could you briefly explain to us what confederation is? This is for the viewers.

[Yeltsin] I would like to tell you that this argument regarding federation and confederation has been going on for years between, among others, Gorbachev and Yeltsin. Confederation implies the maximum degree of independence of the sovereign states which make up the union. Confederation implies the absence of a single constitution for this union. So in other words this union is being formed in accordance with the goodwill of these states delegating some functions to the union this big and not that big. Let us say Russia delegates defense, nuclear power engineering, and railways. That is all. Three. Yes. All the rest will be under Russia. We will administer, so to speak, all the rest. All union industry is now under Russia, including defense industry, by the way.

[Medvedev] You obviously remember the famous formula: strong center, strong republics. Will we now have a weak center and strong republics? Or does this formula carry on? Will we work according to it?

[Yeltsin] It will be a coordinating center and if the republics achieve their ends, then there will be strong republics.

[Medvedev] Will the president be an elected post? [Yeltsin mumbles] The leaders at the center....

[Yeltsin, interrupting] There are various viewpoints. Perhaps we should go to an electoral scheme, but a slightly simplified version than say the American one where initially the electors are chosen and then the electors choose the president. There would be representatives of all parties and movements. Perhaps it could be done in this way, as it would be awkward if one or two republics were to refuse completely to elect the country's president.

[Medvedev] Is that possible?

[Yeltsin] Of course.

[Medvedev] That is your point of view. For the moment, as far as I can see, you have not reached a common view.

[Yeltsin] No, no, no, no. There is no resolution on this yet. The draft Union treaty has for the present been phrased in the following way: 'We have agreed that the procedure for the election, or whatever there will be, of a president is to be determined by a special law. That is what has been agreed.

[Medvedev] And what next, so to speak? We have already heard the news that the Union treaty will be initialled on the 25th. That was firmly stated. Is that possible?

[Yeltsin] There is such an attempt being undertaken. Generally speaking, when we assembled for the last State Council, we discussed this draft treaty for a whole day. Of course, it was a completely different one from the one prepared for 20 August. Very large changes have taken place, and I think, to a large extent, this is due to the fact that President Gorbachev has changed a great deal—before the putsch and after the putsch.

He is a different person these days, and that is why this gave me an opportunity to work now together with him, in a well balanced and business-like manner, I would say. We resolve together major questions regarding the Union and Russia. Yes, we would have liked it ratified on the 25th, so in other words we would like them to agree to the text of the treaty. It is possible that we will have to have further arguments about it, about some of its points, but nevertheless it is now close to signing, but unfortunately, it looks as if it will be signed by eight states. I do not think that nine is a likely figure.

[Medvedev] Let us see if this forecast comes true.

[Yelstin] We will see.

[Medvedev] Now we are discussing how to get relations among the republics going, and the first stumbling block is the paying of the foreign debt, in my view. So far, three republics refused yesterday to do so: the Ukraine, Azerbaijan, and Uzbekistan.

[Yeltsin] Taking account of the fact that the Seven adhere to a very tough position on this matter, and that if there is no guarantee of paying off the debt then do not even hope for any help, Russia takes upon itself the following obligations: First, it guarantees to pay off its own share of the foreign debt. That is the first thing. Second, if two or three republics refuse to pay off their share of the Union debt then we will cover for them, hoping the countries we owe money to will somehow change the structure of this debt—this is the first thing—and secondly, hoping at the same time that those countries which owe money to the Union will pay the largest share to Russia.

[Medvedev] Well, the first step is paying off. Won't we suffer if we were to....

[Yeltsin, interrupting] No, Russia's share today amounts to almost 70 percent. Well, it will go up to 72.

[Medvedev] What will happen to the monetary union? What will it be like? Will their be a republican one? I think all republican leaders have already stated that.

[Yeltsin] First all those who are part of the system of economic agreement ought to have a single monetary unit like, for example, the EEC within the union of Europe. They have the ECU [European Currency Unit] there, and national currencies can exist at the same time, but I think that this is a very hard step, a very difficult one. It is a difficult one from the technical point of view because approximately a trillion banknotes will have to be printed. This is impossible. Our capacities do not allow us to do this.

[Medvedev] Someone counted that it would be enough for a couple of buses.

[Yeltsin] Yes, and it is very expensive to buy them. That is why Russia, well, at any rate, it won't be the first one to introduce a national currency. If the Baltic republics introduce it we will survive this ruble intervention on the territory of Russia. We will somehow support those oblasts bordering the Baltic republics, but if the Ukraine were to do it then this ruble wave would fall upon us and....

[Medvedev, interrupting] And it would flow over us....

[Yeltsin, interrupting] ...and it would sweep away everything that is left, up to salt and matches. We cannot not permit this. That is why we are technically preparing for the future, so to speak. We are preparing; I am being frank.

[Medvedev] So it will not be a surprise for us if our neighbors were to introduce it.

[Yeltsin] Yes, if our neighbors were to introduce it then we would take our preventive, as they say, measures to protect our market and our people.

[Medvedev] We would never be the first ones, would we?

[Yeltsin] Never.

[Medvedev] Boris Nikolayevich, we are running out of time on the air. What would you now like to say to your electorate?

[Yeltsin] Esteemed citizens of Russia! Your president and the new government, the government of reforms and the government of people's trust, is resolute in carrying out these reforms for the people's own good. I am not just saying this as a phrase—the government of people's trust. Even at the first sitting all members of the government stated that as long as they remain members of the government none of them will use even a fraction of their post to achieve their mercenary personal aims.

There are to be no dachas or improvement of their housing conditions, nor work anywhere in any other types of commercial or other organizations, nor any membership of other funds—all this is to be excluded and, by the way, by their own voluntary consent. On their own voluntary consent they will regularly fill in declarations on their income. You will follow this and we will publish this to show that taxes are deducted from their actual income. This does not mean that we will be in a more difficult position than you are. Certainly, it will be more difficult for those who have very low wages and income. Nevertheless, we will be doing everything to support both families on low incomes and especially children and mothers who stay at home and look after their children.

We will be doing everything to make the period when life will really get worse as short as possible. After this happens there will be an improvement in the situation. Believe in this. I as president elected by you and today as chairman of the government believe in this.

Comments on Nuclear Weapons

AU21N113991 Hamburg ARD Television Network in German 2055 GMT 20 Nov 91

[Interview with President Boris Yeltsin by ARD coordinator Martin Schulze, FRANKFURTER ALLGEMEINE ZEITUNG correspondent Horst Bacia, and ARD correspondent Gerd Ruge in Moscow on the "Im Brennpunkt" program; date not given—recorded; Yeltsin speaks in Russian with simultaneous German translation]

[Excerpts] [Schulze] Mr. President, in a few hours you will be arriving in the Federal Republic on your first visit abroad after the failed coup. We would like to know from you what the Federal Government and the federal chancellor also want to know, namely, what is the situation in the Soviet Union and, above all, in Russia now?

Mr. President, your mother said in a television interview several days ago that she had never been worse off than today, except during World War II. She would come to Moscow shortly and her famous son would give her enough to eat, she said. What do you think when you hear such statements?

[Yeltsin] She lives in Sverdlovsk and I live in Moscow. She lives with my brother and she does not have any privileges there. Therefore, she will have as many problem as all the Russian people have in this period of deep, necessary, and quick reforms.

During the first phase of these reforms the people will be even worse off than they are now. That really reminds me of war time. I remember it well. There will be no miracle, but it will be harder than it is now, and we tell the people this truth.

[Bacia] Mr. President, you issued a number of decrees over the weekend, including the liberalization of external trade relations. What is your main concern during your visit to Bonn, and what do you hope to take back from the Federal Republic?

[Yeltsin] I will not ask for anything in Bonn, and I do not under any circumstances intend to make a deal. I only want to make clear what we are planning to do in Russia. I plan to explain the meaning of the reforms that we have tried to start in these six years, since 1985. You have heard a lot about these reforms, but now at last all the mine on this road have been cleared: 80 ministries have been liquidated, meaning the system of conservative hardliners and the old structures. The communist system has broken down, but it is difficult to work in the ruins. That is why we must remove these ruins first and then start work. To begin a new life is difficult everywhere, but we know, of course, what we are doing.

On 15 November, the first meeting of the new Russian Government was held. One of the 14 decrees signed was a decree on liberalizing foreign trade. Its main purpose is to definitely open the Iron Curtain. Ideologically, that was done a little earlier, but the normal economic relations of the companies and firms were not well organized. There was a state monopoly, which always hindered foreign trade relations between the countries and failed to push the growth of foreign trade.

We are dismantling all these obstacles. We are reducing all customs and tax barriers to a minimum. In other words, we are putting every foreign firm on equal footing with our companies. They will have equal rights in practice. Formerly not all our companies had access to the world market; now all legal, officially registered persons or enterprises are entitled to do business abroad. We think that by eliminating such barriers we are opening Russia to foreign capital. Come to us, do business with us, bring your products. There are no restrictions. [passage omitted]

[Ruge] Let me ask you a question about the relationship between Russia and the other republics, and between the republics and the Union respectively. A Union treaty has been agreed upon by the leaders of the republics. However, there are voices in the Uzbek Republic that the Uzbek Republic will not sign the treaty in its present form. In addition, it is still uncertain whether the Ukraine will sign it. What kind of relations does Russia want with the Union? Can it make its economic policy dependent on economic developments in Kyrgyzia or the Uzbek Republic, for example?

[Yeltsin] First, we do not have a Union treaty, only an economic treaty on the economic union of the states. It is no political treaty. A political treaty is under discussion. Negotiations will continue on 25 November. The meeting will be attended by the leaders of the soverign states, including the Uzbek Republic. Mr. Garimov did not participate in the most recent session because he was sick. For this reason, I can say that there will be a union. Unfortunately, however, only eight or at most nine states will join it. We will establish economic links. We primarily base our hopes on bilateral relations that we have concluded with several republics that want to form a union. We will conclude bilateral economic agreements for the year 1992 by 15 December.

[Schulze] Mr. Yeltsin, one thing is scary in this connection—the question of who controls the nuclear weapons in the territories of the different republics. Can you give us a reassuring answer? I have even heard that there are people who fear that nuclear weapons might be used against Russia by certain regions, by certain republics. Can you dispel these fears? Are control mechanisms either intact or will they be developed in a way that the dangers can be ruled out?

[Yeltsin] As far as your question as to whether other republics or Russia might use nuclear weapons is concerned—this is not a serious question. This is technically impossible. One center is responsible for the administration today. There is the president of the country, and there is the defense minister. Without these two officials, no button can be pressed. It is impossible. In addition, the president of the country must speak with us before he makes a decision. We have telephone contact, and we can reach each other very quickly to agree on a joint decision—in the three nuclear republics Russia, Kazakhstan, and the Ukraine, for example. With the consent of the republics, the president and the defense minister make the final decision. Fears are unfounded today that nuclear weapons might get out of control. I have familiarized myself carefully with the situation, and I know that very well.

[Bacia] You once mentioned a right of veto in this connection. Do you still insist on this right of veto? What you have just described is a collective agreement on the use of nuclear weapons.

[Yeltsin] What right of veto?

[Bacia] Relatively shortly after the coup you stated that Russia should be given a right of veto concerning the use of nuclear weapons, which means that it would be possible to forbid the use of nuclear arms if Russia does not agree.

[Yeltsin] I understand. First, our aim is that Russia should become a nuclear-free world power. This is a strategic task and a prospect for the future. Second, because we have this crisis phone and because of the fact that the president of the Russian Federation can oppose the use of nuclear weapons, the president of the USSR will not order the use of nuclear arms.

[Ruge] Let me ask you a question about Russia's future. The state comprises about 120 or 130 different ethnic groups. How should it be organized in the future? In the old way that distinguishes between national and autonomous republics, or should the Russian parts be granted a similar right to co-determination and a similar independence? More specifically, do you believe that Russia might become some kind of FRG?

[Yeltsin] The national structure will remain unchanged. There are sovereign republics within Russia, and we respect their sovereignty. As far as the other territories are concerned, we have introduced the principle that exists in the FRG—the principle of the federal laender—in the draft of the new constitution. In the Urals, for example, there are six territories that are closely linked economically. This economic union has existed for many years in the Urals. The territories cooperate closely in the Urals. One might consider giving them the right to form a federal land and granting them legislative and executive powers. This would have the advantage that administration would be easier for Russia, because there would no longer be 88 territories in the future but only 25 for example. This would be easier. Those discussing the constitution will outline the position of the Supreme Soviet to the government and to the people.

[Schulze] Mr. Yeltsin, you are said to be extraordinarily power hungry in these exceptional times. Do you consider it necessary that you as a person, with your background, should have special powers—I do not want to use the word dictatorial, but special—until the problems have largely been brought under control, because it might otherwise be impossible to bring prosperity to the country?

[Yeltsin] First, I believe that the executive powers must reach from the top to the bottom, from the president to the districts. We have established such a vertical structure now. Today the president has the right to appoint the heads of the administrations in the territories and districts, etc. We have organized that and established this vertical structure. This is the executive part. As far as sweeping powers for the president in the current period are concerned, I believe that one should not grant them to him. The balance between the legislative and executive power and the judiciary must be ensured. In no case must one power be allowed to be bigger than the other. History has shown that, irrespective of the person, this can lead to negative results. Thus, the power that I have at this point is completely sufficient to carry out the reforms.

Kozyrev Welcomes Shevardnadze Appointment

LD2111102891 Moscow TASS International Service in Russian 1205 GMT 20 Nov 91

[By TASS diplomatic correspondent Sergey Ryabikin]

[Text] Moscow, 20 Nov (TASS)—Russian Foreign Minister Andrey Kozyrev welcomed the appointment of Eduard Shevardnadze to the post of USSR minister of external relations. He hopes that this appointment will be conducive to carrying out "a more decisive policy of reforming the foreign policy of the Union, and the activity of the Union foreign policy department, in accordance with the requirements of the time."

According to Andrey Kozyrev, it is important that the appointment of Eduard Shevardnadze be a signal for the elimination of "the old legacy from foreign policy and the mechanism of its implementation." The Russian minister expressed certainty that the closest cooperation will develop between him and the USSR minister of external relations.

ROSSIYSKAYA GAZETA Publishes Resolutions

On Draft Constitution

PM21.1105391 Moscow ROSSIYSKAYA GAZETA in Russian 20 Nov 91 First Edition p 2

["Resolution of the Congress of Russian Soviet Federated Socialist Republic People's Deputies"]

[Text] Resolution of the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies

On the Russian Federation draft constitution and further work of the Constitutional Commission

The Congress of RSFSR People's Deputies **resolves:**

1. To take note of the draft constitution of the Russian Federation submitted by the Constitutional Commission.

2. To instruct the Constitutional Commission and the Supreme Soviet of the RSFSR to do further work on the Russian Federation's draft Constitution submitted to the Congress in the light of comments and suggestions of RSFSR People's Deputies and present it for examination to the next Congress of RSFSR People's Deputies.

3. So as to regulate work on the Russian Federation's draft Constitution and implement the constitutional reform in the RSFSR, the Constitutional Commission is to be given the status of a permanent organ.

The RSFSR Supreme Soviet is instructed to approve the provision on the Constitutional Commission.

R.I. Khasbulatov, chairman of the RSFSR Supreme Soviet
The Kremlin, Moscow
2 November, 1991

On Territorial Integrity

PM2111104791 Moscow ROSSIYSKAYA GAZETA in Russian 20 Nov 91 First Edition p 2

["Resolution of the Congress of Russian Soviet Federated Socialist Republic People's Deputies"]

[Text] Resolution of the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies

On measures to ensure stability in the RSFSR and the integrity of its territory

Having heard the report of the chairman of the RSFSR Supreme Soviet Soviet of Nationalities and discussed the question of the need to elaborate measures to ensure stability in the Russian Federation and its territorial integrity, the Congress of RSFSR People's Deputies **resolves:**

To instruct the RSFSR Supreme Soviet, on the basis of the draft documents and deputies' suggestions submitted to the Congress of People's Deputies, to prepare and adopt a resolution on measures to ensure stability in the RSFSR and its territoraial integrity.

R.I. Khasbulatov, chairman of the RSFSR Supreme Soviet
The Kremlin, Moscow
2 November 1991

On Cohesion Among Slavs

PM2111111191 Moscow ROSSIYSKAYA GAZETA in Russian 20 Nov 91 First Edition p 2

["Resolution of Congress of Russian Soviet Federated Socialist Republic People's Deputies"]

[Text] Resolution of the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies

On the appeal of the Congress of RSFSR People's Deputies to Citizens of Belarus [Belorussia], Russia, and the Ukraine

The Congress of RSFSR People's Deputies **resolves:**

1. To adopt an appeal to the citizens of Belarus [Belorussia], Russia, and the Ukraine.

2. That the RSFSR Supreme Soviet Presidium shall study the question of the form of publication of this appeal in Belarus and the Ukraine and also the explanation of its content to the peoples of those republics.

R.I. Khasbulatov, chairman of the RSFSR Supreme Soviet
The Kremlin, Moscow
2 November 1991

To the Citizens of Belarus, Russia, and the Ukraine!

Having freed ourselves from the regime which for many years milked the peoples for the sake of political and ideological supremacy, we faced the choice: Where to go next?

Should we split up, like warring brothers, destroying the family home in order to achieve autonomy?

So many Ukrainians and Belorussians live in Russia and consider it their motherland! So many Belorussians and Russians cannot imagine life outside the Ukraine! And so many Russians and Ukrainians have thrown in their lot with Belarus!

What will become of families living on different sides of borders as yet hypothetical? What will happen to families of mixed marriages [internatsionalnyye semi]?

Moscow does not claim supremacy over Kiev or Minsk. It recalls that Russia's origins began in Kiev, where the foundation of its ancient culture and many centuries-old history was laid.

Ideologized power devastated the cities of Belarus, Russia, and the Ukraine, the peasants of the Ukrainian, Russian, and Belorussian villages and annihilated in equal measure the Cossacks of Russia and the Ukraine. Everyone needs a system in which the main value is man, a system which permits all inhabitants of cities, villages, and hamlets to resolve the problems of their own lives themselves and which guarantees the opportunity of equal development to all the nations and peoples inhabiting our common motherland.

We appeal to all those who are ready to take even one step, to make one effort to prevent a national catastrophe for the peoples of Belarus, Russia, and the Ukraine: Take that step!

Make even the smallest effort to avert the calamity that is ready to befall the peoples of the fraternal republics!

Beg all your families, relatives, friends, even mere acquaintances living in Belarus, the Russian Federation, and the Ukraine not to sever the kinship of blood and unity. The striving for state independence must not be allowed to break the ties between the peoples of Belarus, Russia, and the Ukraine. The absolute independence of our republics means independence of sisters from brothers, parents from children, and the old from their grandchildren!

Appeal to your colleagues in science, art, and literature not to destroy the historical unity of the creative and scientific schools and not to undermine the foundation of the great Slav culture.

People in industry, business, and trade in Belarus, Russia, and the Ukraine, unite in the grandiose cause of creating a single economic area! Without a state political union it will take decades to form a single economic area. This work cannot be delayed even for a minute!

The cohesion of our peoples and republics can accomplish the great cause of state unification for the good of present and future generations!

RSFSR People's Deputies

Gaydar Comments on Yeltsin's Economic Decrees

LD2111101391 Moscow Russian Television Network in Russian 2100 GMT 20 Nov 91

[From the "Vesti" newscast]

[Text] The first news conference to be held by Yegor Gaydar, Russian minister of the economy and finance, took place late this evening. Journalists were primarily interested in the essence of the government's new economic decrees. The main problem that faced the government as it drafted the reform was the fact that economic processes in the country are currently impossible to control, Yegor Gaydar said. He continued: There is inflation of wholesale prices; a complete lack of hard currency reserves; the Foreign Economic Bank is insolvent; increasing inflation is causing nondelivery of agricultural produce to the towns; and revenues are out of control. In these conditions, the government moves are the least that could be expected. There are currently two main directions to the work being done by the Russian Cabinet of Ministers: These are the creation of radical economic reforms; a certain amount has been done in this direction. There is also the decree to liberalize foreign economic activity and a number of other decrees; and the development of the means and methods which will subsequently permit these policies to be implemented, Yegor Gaydar said.

Further on Economic Decrees

OW2111120791 Moscow INTERFAX in English 0837 GMT 21 Nov 91

[Article by Valeriy Martianov, economic observer: "Yeltsin Launches Economic Reforms, But His Decrees Are Flawed"; from the "Business Weekly" feature transmitted via KYODO]

[Text] Russia's President Boris Yeltsin, who is also the republic's prime minister, signed a series of presidential decrees and resolutions on November 15 which he regarded as a way to get economic reforms started in the RSFSR [Russian Soviet Federated Socialist Republic]. However, some experts have concluded that the provisions they contain are seriously flawed from both the point of view of jurisprudence and of simple logic.

Last Friday [15 November], Mr. Yeltsin signed five presidential decrees: "On Liberalizing Foreign Economic Activity on the Territory of the RSFSR," "On the Mining and Utilization of Precious Metals and Diamonds on RSFSR Territory," "On Eliminating Ceilings on Wages and on Increasing the Volume of Consumer Goods," "On Raising the Salaries of Workers in Organizations and Establishments Financed by the Budget" and "On Social Partnership and Resolving Labor Disputes."

He also signed five resolutions drafted by the RSFSR government: "On Measures to Finance Economic Reforms and Protect the RSFSR's Financial System," "On Regulating Shipments of Oil and Oil Products Beyond the Borders of the RSFSR," "On the Procedure for Introducing a Minimal Wage in the RSFSR," "On the USSR's Trade Offices Abroad," and "On Organizing Work in Connection with the Abolition of USSR Ministries and Other Organs of State Administration."

INTERFAX is publishing either the full text or extracts of the most important of these documents, together with commentaries.

Decree of the RSFSR President "ON LIBERALIZING FOREIGN ECONOMIC ACTIVITY ON THE TERRITORY OF THE RSFSR"

1. To permit all enterprises and associations, regardless of their form of ownership, that are registered on the territory of the RSFSR to engage in foreign economic activity, including acting as a middleman, without seeking special registration.

COMMENTARY: The decree does not say whether physical persons can engage in foreign economic activity, including acting as middlemen.

Hard currency transactions must be carried out on the basis of licenses issued according to a procedure established by the RSFSR government.

COMMENTARY: At the present time, hard currency transactions are carried out only by authorized banks and financial organizations, which have a general or a domestic license.

2. (Instructions) addressed to the government of the RSFSR:

To cancel within one month all restrictions, not based on RSFSR laws, which place limitations on barter operations in foreign trade;

To present for confirmation within one month a new list of goods (including work and services) whose export and import must be licensed and subjected to quotas, keeping in mind that this list should be considerably shortened;

To confirm by January 1, 1992 the Regulations for Licensing and Establishing Quotas on the Export and Import of Goods (including work and services) in the RSFSR for 1992, stipulating that these quotas and licenses will be sold either by tender or at auction.

COMMENTARY: Leonid Gurevich, the chairman of the Subcommittee on Foreign Economic Relations of the RSFSR Supreme Soviet's Committee on International Relations and Foreign Economic Ties, considers that the term "stipulating" can be interpreted in various ways—either all the licenses will be sold at auction or else that some of the licenses can be issued free of charge or for a lower payment than they would fetch at auction.

To present by January 1, 1992 proposals for establishing the tax obligations in import and export operations, including barter deals, as well as setting tax rates and customs duties.

COMMENTARY: Mr. Gurevich believes that this regulation contradicts Russian laws since questions concerning taxation and customs duties are the responsibility of the republic's parliament, and not of its government.

3. To permit banks authorized to carry out hard currency operations on the territory of the RSFSR to open hard currency accounts for all juridical persons and Soviet citizens.

Hard currency deposited in the accounts of citizens must be issued to them on demand without any kind of restriction or permission being required.

4. Establish, as of January 1, 1992, the obligation on the part of enterprises situated or registered in the territory of the RSFSR to sell part of their hard currency proceeds to the RSFSR Central Bank in order to build up the republic's hard currency reserves. The quantity of the hard currency proceeds that the enterprises are obliged to sell to the RSFSR Central Bank will be determined by the government of the RSFSR.

Recommend to the RSFSR Central Bank that it independently determine, as of January 1, 1992, the exchange rate for the ruble, using for its calculations the ruble equivalent for that portion of hard currency proceeds which enterprises are obliged to sell.

Funds accumulated in the RSFSR's hard currency reserves will be used to service the foreign debts, centralized orders for imports and for other purposes to be designated by the RSFSR Government.

Within one month, the RSFSR Government is to prepare proposals for cutting back on subsidizing imports in 1992.

5. Remove limitations on the participation of citizens and juridical persons, registered in the territory of the RSFSR, in the conduct of hard currency operations through authorized banks, including restrictions on the purchase of hard currency in cash.

Establish that the sale of foreign currency by juridical persons, registered in the territory of the RSFSR, should be done only for purposes of importing goods and services (carrying out current transactions) or sold to foreign investors for transferring their profits and dividends out of the country.

The rate of exchange between the ruble and foreign currency is to be determined on the basis of demand and supply at auctions, exchanges, the inter-bank market, as well as by the purchase and sale of hard currency by commercial banks and other juridical persons.

Recommend that the RSFSR Central Bank establish limits to differences in the rates of exchange for the purchase and sale of hard currency in commercial organizations and exchange centers, as well as set limits on the purchase and export of hard currency by Soviet citizens travelling abroad.

COMMENTARY: Leonid Gurevich also believes that the procedure for determining the purpose for which a juridical person is buying hard currency—for export and import or for other purposes—will be equally troublesome. This will entail setting up a new bureaucracy which, in the future, will be plagued with corruption.

6. Abolish on the territory of the RSFSR all types of compulsory hard currency deductions, as well as taxes on exports and imports of goods (as well as work and services) that have been decreed by the President of the USSR as well as by branches of the central government.

The rate of exchange between the ruble and foreign currencies, laid down by the USSR's Gosbank, will not be applicable on the territory of the RSFSR.

COMMENTARY: This means that the Hard Currency Exchange of the USSR's Gosbank will be abolished, although it is possible that it will be transformed into a similar exchange under the jurisdiction of the RSFSR's Central Bank.

7. Suggest that the RSFSR Central Bank take active steps to develop the hard currency market, including at the inter-bank level, and also expand the network of exchange points.

8. Forbid on RSFSR territory the keeping of accounts and the making of payments in hard currency between juridical persons, as well as between juridical persons and Soviet persons, with the exception of paying for labor and settling bills in shops situated on territories which have an extra-territorial status.

Temporarily, until July 1, 1992, retain the current system for utilizing hard currency in retail trade and in providing services to Soviet citizens on the territory of the RSFSR.

9. Establish that investments made abroad, including the purchase of securities, by juridical persons registered on the territory of the RSFSR and by Soviet citizens is carried out in accordance to licenses in a manner to be determined by the RSFSR Government.

10. The RSFSR Ministry of Justice will propose that changes be made in decisions taken by the RSFSR Government in connection with this decree.

11. This decree will come into force the moment it is signed. Points 5,6 and the first paragraph of point 8 will go into effect on January 1, 1992.

COMMENTARY: Leonid Gurevich believes that one of the most serious shortcomings of the decree is that it has only an indirect impact. Most of the clauses, Gurevich emphasizes, boil down to assigning the government the task of drawing up rules which will go into effect on January 1 or later.

Because of this, Gurevich argues, the decree as it now stands will only heighten a sense of uncertainty among those engaged in foreign economic activity, rather than create an encouraging climate.

Experts at the Russian Parliament, in fact, predict a cut back in the flow of goods to the domestic market in the near future. In their opinion, the many flaws in the decree result from a situation where the very concept of foreign economic activity was not properly thought through, and therefore, not surprisingly, there is no logical link between the various measures it proposes.

RSFSR Presidential Decree "On Mining and Utilizing Precious Metals and Diamonds on the Territory of the RSFSR." (Extracts)

An RSFSR State Fund of Precious metals and Stones will be established.

The RSFSR will now be in charge of regulating the exploration, extraction, processing and sale, as well as the safekeeping, of precious metals and stones.

On the basis of the former Soviet organizations, the RSFSR Ministry of Economics and Finance will form a Committee for Precious Metals and Stones and an RSFSR State Storehouse for Valuables (Gokhran).

COMMENTARY: Thus, there are grounds for assuming that Russia is planning to nationalize facilities belonging to the central government which have to do with precious metals and stones, as well as with the country's gold reserves (all the storehouses are located on Russian territory). It is possible that Russia will also nationalize the gold reserve itself, or at least a significant part of it. (Russia is the monopoly producer of precious stones on the territory of the former USSR and it also mines 80% of all the country's precious metals).

Control over all operations involving precious metals and stones will now be exercised by the government of the RSFSR.

New principles for setting prices will be worked out, based on world prices for precious metals and stones.

1.5% of the volume of precious metals mined according to set quotas, will be utilized for manufacturing jewelry.

25% of the gold extracted and 25% of the diamonds and metals of the platinum group sold on the world market will be paid for in hard currency, with 20% of these sums going to the local authorities.

30% of the hard currency, received as the difference between the sale price on the world market of brilliants and the cost of uncut diamonds from which they are produced, will be left in the hands of the producer enterprises.

The RSFSR Government's Resolution "On Measures to Finance Economic Reforms and Protect the RSFSR's Financial System" (Extract)

The central apparatus of the USSR Ministry of Finance, its facilities on Russian territory, as well as all enterprises belonging the state association of manufacturers of currency and other valuable papers (GPO Goznak) is being placed under the RSFSR's Ministry of Economics and Finance.

Nevertheless, a pledge is being made to adhere to all contracts and obligations entered into by Goznak vis-a-vis the sovereign states, which were formerly Soviet republics.

By December 1, the RSFSR Ministry of Economics and Finance, together with the RSFSR Central Bank, are to prepare and present a group of measures to protect the RSFSR's interests in relation to those former Union republics which are determined to introduce their own currency.

COMMENTARY: Russia's nationalization of facilities owned Goznak of the former USSR, but located on RSFSR territory, as well as its subjugation of the central apparatus of the former Union Ministry of Finance, can be interpreted as a confirmation of Russia's determination to get control over putting rubles into circulation while the ruble zone still exists. Earlier, this ambition lay behind Russia's unsuccessful attempt to nationalize the USSR's Gosbank.

The RSFSR Government's Resolution "On Regulating Shipments of Oil and Oil Products Beyond the Borders of the RSFSR" (Extracts)

The setting up and allocation of general quotas for the export of oil and its byproducts will be the responsibility of the RSFSR Ministry of Economics and Finance. Only producers of such commodities will be granted general quotas, but exceptions will be made in cases where oil is exported to serve Russia's national interests.

The issuance of new licenses for oil and oil products will be halted until January 1, 1992.

Over the next ten days, all licenses issued earlier are to be re-examined with a view to assuring that Russia's needs for fuel and power can be met.

As of December 1, 1991, limitations will be set on the export of oil and oil products from the territory of the RSFSR.

COMMENTARY: It is not improbable that these measures will primarily affect shipments of Russian oil to the republics of the former USSR.

1) COMMENTARY: It is doubtful that these regulations will be effective in attracting foreign investment to Russia (and this is one of the main purposes of the decree) since in their present form they apply both to joint ventures and to enterprises that are entirely foreign-owned, as long as these are situated and registered in the RSFSR. Furthermore, it is doubtful that the percentage of compulsory hard currency deductions will drop below 30-35% (under President Gorbachev's decree they now stand at 40%). It is also doubtful that the exchange rate for the ruble (in the context of compensation in rubles for such compulsory deductions) will be more favorable that it would be at hard currency auctions and at foreign exchange counters. In brief, enterprises selling hard currency will receive fewer rubles that they would if they were able to sell their hard currency freely.

2) COMMENTARY: This point permits all citizens of Russia to purchase and sell hard currency, but at the same time it sets limits to its purchase and transfer out of the country. However, it is not clear whether the restrictions to be set on transferring hard currency out of the country will apply only to currency purchased at exchange counters or at auctions, or will also apply to hard currency withdrawn from the personal bank accounts of citizens. In the first category, the hard currency that has been purchased can be deposited in personal bank accounts and therefore, according to regulation No. 3, be utilized "without any restriction or special permission"—thus contradicting the provisions laid down in point 5.

Equally ambiguous is the manner in which the rate of the ruble will be set in relation to foreign currency: will it be different in different banks, exchange counters and regions of the republic or will some kind of a single rate be set, for example, by the RSFSR Central Bank?

3) COMMENTARY: This point evidently aims to limit the flow of hard currency out of Russia. It can hardly be viewed, however, as a means of liberalizing foreign economic activity.

Furthermore, it is unclear whether deposits which citizens would like to make in foreign banks outside of Russia are to be considered investments. Also, does this point apply to funds earned abroad, including money earned by juridical persons and not transferred back to Russia? (In other words, will the Russian Government make it obligatory to repatriate to the RSFSR all hard currency earned abroad?)

4) COMMENTARY: It seems clear that the Russian leadership has little faith that the ruble zone can be preserved even within the largest republics of the former USSR—Russia, the Ukraine, Kazakhstan, Belarus [Belorussia] and Uzbekistan. Therefore, maximum efforts are being made to ward off a flood of rubles coming from other republics into Russia, and perhaps plans have already been laid to start issuing a new Russian currency.

5) COMMENTARY: In the first place, this provision lays the ground for preserving the monopolistic hold that several large companies have on foreign economic activity in this field, a situation hardly conducive to developing competition and the market a whole.

Secondly, it emphasizes the ambiguity of point No. 2 in the Decree "On Liberalizing Foreign Economic Activity of the Territory of the RSFSR," which talks about selling quotas and licenses for exporting goods at auction. (It turns out that, on the one hand, not all parties will be obligated to buy licenses at auctions and, on the other, that not all interested parties will be permitted to bid at such auctions).

Furthermore, there are no guarantees provided that such licenses would be granted to firms (including foreign firms) which are just now starting to become active on the Russian petroleum extraction market.

Restrictions on Oil Exports To Begin in Dec

LD2011202991 Moscow TASS International Service in Russian 1041 GMT 19 Nov 91

[By TASS correspondent Aleksandr Kruglov]

[Text] Moscow, 19 Nov (TASS)—Restrictions will be introduced in the beginning of December on oil exports from Russia. This is envisaged in a recent decision by the republic's government "On Regulating Exports of Oil and Oil Products From the Russian Soviet Federated

Socialist Republic [RSFSR]." Anatoliy Shatalov, Russian federation deputy minister of fuel and power engineering, talks about how this decision will be implemented:

We intend to decide all issues defined by the decision jointly with the fuel commission at the Interstate Economic Committee. During the work ahead, specialists will determine opportunities for extracting and supplying fuel and energy resources for consumers, both in Russia and in other sovereign republics. These measures will be directed at ensuring expanded production in branches of the fuel and energy complex as well as in other branches.

This is proposed within the framework of implementing the decision to prepare recommendations for the distribution and domestic consumption of resources as well as for their export. Of course we will use as our starting point the oil requirements of various parts of Russia and of sovereign republics, while defending our currency interests. Therefore, starting in December, such supplies will be available only according to special quotas.

The issuing of licences and their reregistration is up to the RSFSR Government Licensing Committee, while the fuel commission at the Interstate Economic Committee and the RSFSR Ministry of the Economy are to be directly responsible for resolving issues concerning licenses and quotas.

International Affairs

Yeltsin Leaves for Visit to Germany

Comments Before Departure

LD2111093591 Moscow TASS in English 0910 GMT 21 Nov 91

[By TASS correspondent Gennadiy Talalayev]

[Text] November 21 TASS—Russian President Boris Yeltsin on Thursday [21 November] left for Germany at the invitation of German Chancellor Helmut Kohl.

At an impromptu news conference at the airport, Yeltsin said he will establish direct contacts between Russia and Germany and sign documents on economic, scientific, technological and cultural cooperation.

He said he will also discuss credits, humanitarian aid, the terms of the Soviet troop pullout from Germany and the fate of Soviet Germans in the Volga region.

Arrives in Germany 21 Nov

LD2111114891 Moscow TASS in English 1120 GMT 21 Nov 91

[By TASS special correpondents]

[Text] Bonn November 21 TASS—The Russian president arrived in Germany today. Boris Yeltsin's first visit abroad as Russian president will last three days.

At the Cologne-Bonn airport he was met by the head of the German Foreign Ministry Protocol Department Karin Seemann, Soviet Ambassador to Germany Vladislav Terekhov and German Ambassador to the USSR Klaus Blech. The Russian president will stay in the governmental residence in Petersberg during his visit.

The official meeting ceremony will take place in the afternoon in the federal chancellor's office.

Comments on Arrival

LD2111123791 Moscow TASS in English 1156 GMT 21 Nov 91

[Text] Bonn November 21 TASS—Russian President Boris Yeltsin said he views his visit to Bonn as the beginning of direct Russian cooperation with Germany.

Speaking at a welcoming ceremony at the airport upon his arrival to Bonn today, Boris Yeltsin said he believes Erich Honecker, former East German leader, must be handed over to German authorities. "Russia has already made its decision, the federal leadership is to follow suit", he added. Let the German people decide the fate of Honecker in accordance with the law and justice, the Russian president said.

Yeltsin, who arrived on an ordinary Aeroflot plane to Germany, said he does not yet have a presidential plane. I shall have it when Russia starts living a bit better, he said.

Burbulis Does Not Attend

LD2111140391 Moscow Radio Rossii Network in Russian 1300 GMT 21 Nov 91

[Text] Russian President Boris Yeltsin today arrived in the FRG. A meeting between the Russian president and FRG Chancellor Helmut Kohl is planned for this afternoon.

State Secretary Gennadiy Burbulis, first deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Government, did not fly to the FRG as part of the delegation headed by the RSFSR president, although his name was on the official delegation list. Burbulis' press secretary, Vyacheslav Doshirin, told a TASS correspondent that this was because someone had to hold the fort [ostatsya na khozyastve].

Justice Minister Denies Asylum for Honecker

LD2011194691 Hamburg DPA in German 1900 GMT 20 Nov 91

[Text] Wuppertal [date not received] (DPA)—Nikolay Fedorov, Russian Soviet Federated Socialist Republic [RSFSR] minister of justice, once again reaffirmed that asylum will not be granted in the RSFSR to Erich Honecker, former GDR state and party head. At the conclusion of his visit to Germany, Fedorov emphasized in Wuppertal this evening that the RSFSR alone has to make a decision on this. There are no legal grounds for granting asylum because Honecker has been accused of criminal offenses. At a reception given by his North Rhine-Westphalian colleague, Rolf Krumsiek (Social Democratic Party), the minister added that whatever Gorbachev hopes or expects in this regard is of no importance to the RSFSR.

Yeltsin Envoy Cited on Results of Japan Visit

LD2111032191 Moscow TASS in English 2153 GMT 20 Nov 91

[By TASS diplomatic correspondent Andrey Surzhanskiy]

[Text] Moscow November 20 TASS—"Japan now less tightly connects its aid to the Soviet Union and the solution of the territorial issue," Vladimir Lukin, chairman of the Russian Supreme Soviet's committee on international affairs and foreign economic relations, told TASS.

Lukin stressed the stands have become more clear on many aspects of the Soviet-Japanese relations.

He has just returned from a two-day trip to Japan, the major aim of which was to hand to the Japanese leaders a personal message from Boris Yeltsin, and explain the essence of radical economic reforms put forwards by the Russian president.

Lukin has met Japanese Prime Minister Kiichi Miyazawa, other statesmen and representatives of the Japanese business community. In his words, those were friendly meetings, during which the Japanese side expressed lively interest towards specific issues, connected with the fulfilment of reforms in Russia.

The Japanese aid to the Soviet Union has also been discussed. In the words of Lukin, Japan is ready to provide considerable assistance to the country. At the same time, it continues to connect its scale with the solution of the territorial issue.

The major essence of their stand is whether or nor the Soviet Union intends in principle to recognize the Japanese sovereignty over the islands, Lukin said. In this case, the Japanese are ready to show greater flexibility in forms, methods and terms of the solution of this problem.

Foreign Minister Meets With U.S. Envoy

LD2011184591 Moscow TASS in English 1454 GMT 20 Nov 91

[By TASS diplomatic correspondent Sergey Ryabikin]

[Text] Moscow November 20 TASS—Russian Foreign Minister Andrey Kozyrev described his meeting today with U.S. Ambassador to the USSR Robert Strauss as "very useful for his upcoming conversations with representatives of the U.S. Administration and the Congress".

The sides discussed Kozyrev's future trip to Washington, the political situation in both countries and some international issues.

Kozyrev's U.S. visit was also discussed at a meeting between the Russian foreign minister and Mortimer Zuckerman, publisher and editor-in-chief of the U.S. NEWS AND WORLD REPORT, who have long had friendly relations.

Rutskoy Meets Estonian Communist Party Leader

OW2011204591 Moscow BALTFAX in English 1739 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Russian Vice-President, the People's Party of Free Russia Chairman (which emerged from the Democratic Party of Russian Communists) Aleksandr Rutskoy met with the leader of the independent Communist Party of Estonia Vaino Vallas and its first secretary Enn Sillari in the Russian parliament building in Moscow November 20th.

Mr. Rutskoy expressed concern over the observance of the Baltics' ethnic Russian population's human rights following the adoption of documents on citizenship by the Baltics.

Participants in the meeting also discussed the problem of interaction between Russian and Estonian business circles. They decided to set up a joint-stock company for the production of agricultural and food industry equipment.

Rutskoy and Vallas noted mutual willingness to continue contacts between the two parties.

Supreme Soviet

Highlights of 20 Nov Session Proceedings

LD2111114291

[Editorial Report] Moscow Russian Television Network in Russian at 1936 GMT on 20 November broadcast a 30-minute recording of the highlights of the Russian Soviet Federated Socialist Republic, RSFSR, Supreme Soviet session in Moscow on 20 November. The recording begins with the chairman of the session introducing a report on the RSFSR bill on trading licensing from (Aleksandr Petrovich Pochinok), chairman of the Commission on the Budget, Plan, Taxation, and Prices.

Reporting to the few deputies in the hall, (Pochinok) introduced the bill as the last in a package of taxation measures. He explained that this law will enable street traders to be regulated. Implementation of the bill, he said, will be the concern of local authorities and although the tax involved will be relatively low, the concept of regulation of street trading was important.

At 1939 GMT a deputy asked from the floor what the procedure for collecting the money for trading licences will be. (Pochinok) explained that a license for the period specified can be bought by the trader from the local authority. A second deputy criticized the unrealistic nature of the bill, rejecting the idea of the tax and the suggestion that it would affect public order. He described it as further impoverishing the grandmas and grandpas selling their berries and mushrooms to the public. A third deputy approved the idea of controlling street trading by gypsies, for example at train stations, but said this is not the bill to do it. The debate closed with a vote of 69 deputies in favor (55.2 percent), 10 against (8.8 pecent), and six abstentions (4.8 percent).

At 1945 GMT Yuriy Voronin, deputy chairman of the RSFSR Supreme Soviet, was invited to speak about what he describes as violation of the resolution of the RSFSR Congress of People's Deputies on legally securing economic reform.

At 1958 GMT Grigoriy Semenovich Zhukov, chairman of the Commission on the Work of Soviets of People's Deputies on Developing Self-Management, was shown being invited to speak by a second chairman on another point on the agenda: a bill on certain matters relating to the legal regulation of the functioning of kray and oblast Soviets of People's Deputies.

Zhukov recalled the progress of the bill so far, reminding deputies that the law is to be adopted at this sitting. He explained that it is envisaged that the new convocation of deputies will put fewer deputies in place and they will work to different procedures. In the meantime, little soviets [Malyy sovet] have largely been elected and are operating to make local self-management less cumbersome in the krays and oblasts. This bill outlines the procedures for electing and operating the little soviets—chairmen will inform deputies when sessions have to be reorganized because they have failed to achieve the necessary two-thirds quorum.

No debate was shown, and the chairman started a vote: 86 for (68.8 percent), none against, two abstentions (1.6 percent). The bill passed in its first reading. The video showed that caption: Sitting of the Chamber of Nationalities, 20 November 1991.

At 2003 GMT Ramazan Abdulatipov, in the chair, gave the floor to (Valeriy Petrovich Bartolomey), chairman of the Committee on Ecology and Rational Utilization of Natural Resources, to report on a bill on environemntal protection in the RSFSR. (Bartolomey) told the chairman he would take 10-15 minutes to report and would answer questions. He began by explaining that he is using the term environmental protection in the sense in which it is understood abroad, to include the social and industrial aspects of the issue. The bill obliges all enterprises, organizations, and individuals to observe ecological standards, makes ecological considerations paramount, and seeks to protect the health of future generations.

At 2005 GMT over video of deputies speaking, the announcer concluded the program by saying: "After a report from Vitaliy Grigoryevich Syrovatko, deputy chairman of the Chamber of Nationalities, on the outcome of a scientific and practical conference on national revival of the peoples of the Russian Federation, the deputies debated a bill on certain matters relating to the legal regulation of the functioning of kray and oblast Soviets of People's Deputies. A bill on education was then considered. The session will continue its work tomorrow."

Yeltsin Decrees Criticized

LD2011184391 Moscow TASS International Service in Russian 1704 GMT 20 Nov 91

[By TASS parliamentary correspondent Tamara Zamyatina]

[Text] Moscow, 20 Nov (TASS)—In issuing a number of decrees Russia's president has violated the resolution of the Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies on legally securing economic reform. This is stated in a decision by the RSFSR Supreme Soviet Presidium, about which Yuriy Voronin, deputy chairman of the Russian parliament, today informed the members of the Soviet of the Republic.

Instead of submitting his own draft decrees and the draft government resolutions to Russia's Supreme Soviet, Boris Yeltsin presented the Russian parliament with a fait accompli, by not only signing 12 decrees and resolutions but also by handing them over for publication in the press.

In particular, the RSFSR president, in one of his decrees, handed over the republic's state depository body with its gold, platinum, and diamonds to the jurisdiction of the Ministry of Economics and Finance, Yuriy Voronin noted. This might be used by the ministry to cover up unwise expenditures. For this reason the presidium of the RSFSR Supreme Soviet has negatively appraised this decree by Boris Yeltsin. An overriding decision by the RSFSR Supreme Soviet subordinates the RSFSR state depository bank to Russia's central bank.

Certain other presidential decrees and governmental resolutions at variance with existing legislation were also examined at the presidium meeting and were not approved. In line with a decision of the RSFSR Congress of People's Deputies, these documents will be considered at a meeting of the Supreme Soviet on 22 November. Unless parliament rejects them, the decrees will come into force within seven days. If they are rejected, they will be further worked on as draft laws with the corresponding amendments procedure.

At the RSFSR Congress of People's Deputies, Russia's president requested that he be granted additional powers to carry out a program of radical reforms. As you know, the deputies gave Boris Yeltsin approval to carry out an economic reform, the principles of which had been set out in the president's appeal to the people of Russia. These principles were liberalizing prices, privatizing first small enterprises and later large ones, and implementing a severe taxation policy. Taking account of amendments, Yeltsin still attains almost all the additional powers requested, including the right to suspend Union-level legislative acts if they hamper the implementation of reform. It was decided that verdicts on the draft presidential decrees would be given very quickly by the Republic's Supreme Soviet.

Amendments Introduced

LD2011233591 Moscow Radio Rossii Network in Russian 2200 GMT 19 Nov 91

[Text] A sitting of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet Presidium was held at the RSFSR House of Soviets on 19 November. There it was decided to introduce amendments to present legislative acts to bring them in line with the main directions of the program of economic reforms. The Russian Government and president are also advised to make amendments to points of some decrees and decisions in accordance with present legislation.

Criminal Code Amendments Adopted

LD2111141991

[Editorial Report] Moscow Radio Rossii Network in Russian at 1100 GMT on 21 November broadcast a report by correspondent Nikolay Artemyev from the Russian White House on proceedings at today's Russian Soviet Federated Socialist Republic, RSFSR, Supreme Soviet session.

He opened his report by saying: "One hour ago the Supreme Soviet of Russia adopted in its first reading a draft law of the RSFSR, submitted by President Yeltsin, on the introduction of amendments and supplements to the Criminal Code, to the Criminal Procedural Code, and to the Code on administrative infringements of the law. The essence of the matter is that the existing criminal legislation was created under conditions in which the administrative command system prevailed and for this reason some articles have not merely become obsolete, but at times cause bewilderment. For example, if the appropriate article of the law which exacts punishment for the distribution of works containing elements of violence and sex were to be applied, it would be necessary to bring to book almost the whole of the country's film market and cinema sector. Under the old law, private entrepreneurial activity and commercial mediation was prohibited, but it is quite clear that without this there can be no talk of a market.

"It is also proposed to remove from the Criminal Code articles on the violation of the passport system. We all know the vicious circle: No registration—no work; no work—no registration.

"The article which exacts punishment for illegally teaching karate is also being removed. It is also being proposed to remove the death sentence as punishment for speculation in foreign currency and securities and a number of other similar crimes.

"So, on the whole, criminal legislation promises to be less harsh and more humane.

"As I have already said, this law was adopted in its first reading".

Artemyev said that the deputies then proceeded to consider a draft RSFSR law on some matters concerning the legal regulation of the activity of kray and oblast soviets, which was approved by both chambers yesterday and was therefore adopted quickly.

He ended by saying: "Today the parliament is working with unusual efficiency. The session is continuing."

Local Affairs

'Mixed Feelings' to New Balkariya Republic

LD2011230891 Moscow Radio Moscow World Service in English 1310 GMT 19 Nov 91

[Excerpts] A new republic—Balkariya, in the North Caucasus—has appeared on the political map of Russia. Vitaliy Gurov comments:

[Gurov] The proclamation of the republic arouses mixed feelings. On the one hand, the leaders of the new republic have spoken out, at least so far, for remaining in the Russian Federation, which means it doesn't intend to split off. Naturally this adds optimism to Russian leaders. On the other hand, it's not quite clear how the division of the Kabardina-Balkariyan autonomy is going to happen. It used to be a single republic and a territorial dispute gave rise to the most dangerous dramas in this connection. All past trouble is being dug up, which often leads to tragic results. While keeping this in mind, I naturally hope to be wrong as far as this concrete area is concerned.

There's one more problem concerning the Russian Federation as a whole. Recent developments have shown that the Russian leader, Boris Yeltsin, is finding himself in a situation similar to the one President Gorbachev was in some time ago. The difference is that Gorbachev faced the collapse of the Union; now Yeltsin is facing the possibility of a collapse of the Russian Federation. The developments in the Chechen-Ingush Republic, the proclamation of independence by Tartarstan, active moves in the same direction in Bashkiriya and Yakutiya—no doubt the local leaders in other Russian autonomies are closely following the course of events in both the North Caucasus and other parts of the federation.

So far it is clear that only less tough measures, unlike attempts to use force to keep the different territories comprising Russia, are the only possible policy of retaining the unity of the federation. [passage omitted]

One of the fundamental questions facing Russia today remains: How is it going to join the union of sovereign states, which will probably appear in the place of the former Soviet Union? The answer remains quite vague. The future of enclave states that might appear on the territory of the biggest member of the Union is as vague. In any case the problem can be solved only in peaceful civilized forms—not along the road of pressure or use of force.

Ingush Republic Not To Leave Federation

OW2011184891 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] A member of the "Democratic Russia" movement's council in Ingushetia—Issa Ozdoyev—and a leader of the Ingush Democratic Party Niysho (meaning "equality")—the deputy master of the local Education College Tamerlan Mutaliyev—have told an INTERFAX correspondent that Ingushetia has no intention to leave the Russian Federation. They said they had met with General Dzhakhar Dudayev concerning the matter and can assure no ethnic conflicts over the borders between the Ingush and Chechen republics.

They both said, though, that the RSFSR [Russian Soviet Federated Socialist Republic] draft constitution prepared by the commission is absolutely unacceptable as it plays down the status of the republics to that of lands in a unitarian state. In their opinion, the acceptable model would be not a constitutional state, but one based on treaties.

Ozdoyev and Mutaliyev stressed that further fortunes of the Ingush republic which is to elect its Supreme Soviet December 22 will depend on how soon and how fully the Russian Federation's government will implement the law on restoring the rights of nations which suffered repressions.

Unidentified Attackers Disarm Chechen Guards

OW2111134291 Moscow INTERFAX in English 1050 GMT 21 Nov 91

[Transmitted via KYODO]

[Text] According to the USSR Interior Ministry, 3 unidentified persons armed with a single sub-machinegun disarmed 5 Chechen National Guardsmen armed with 5 sub-machineguns and with 5 Makarov pistols. This happened in Groznyy last night. The attackers stopped the Volga car the guardsmen were in, seized their weapons and disappeared.

Acts Against MVD Troops in Chechen Halted

LD2111134191 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 21 Nov 91

[Text] The actions planned against servicemen of the Internal Troops of the USSR Ministry of Internal Affairs [MVD] in Checheno-Ingushetia will not take place. A telegram sent to Dudayev, the republican president, which was signed by Lieutenant General Sagdin, commander of the Internal Troops of the USSR MVD, played a large part in this decision. It contained a request for steps to be taken to prevent provocations against the servicemen. Dudayev replied that he knew nothing about any planned acts but that he would be taking all the necessary steps to prevent such actions. The republican president has kept his word.

Irkutsk Congress Supports 'Federalizing' Oblast

PM2111113791 Moscow IZVESTIYA in Russian 19 Nov 91 Union Edition p 2

[Report by correspondent V. Sbitnev: "Congress in the 'State of Irkutsk'"]

[Text] Irkutsk—Deputies of all levels, from settlement to USSR Supreme Soviet, elected in the territory of Irkutsk Oblast, and representatives of public organizations, movements, and parties have backed the oblast soviet's course toward federalizing the oblast.

Since this oblast congress called itself a public forum, that is, a rally, all it did was adopt a resolution. It notes that the reform of statehood in Russia has experienced undue delays and is inconsistent. This is evident, the Irkutsk deputies believe, from the fact that the RSFSR [Russian Soviet Federated Sociaolist Republic] Supreme Soviet is encroaching on the economic, political, and social interests of the populations of krays and oblasts. So the congress believes that equality of all components of the Federation in terms of fundamental economic and political laws and enshrinement of them in the RSFSR Constitution are an essential condition of the stability of Russian statehood. The congress proposed that the Supreme Soviet immediately recognize Irkutsk Oblast as a territorial-state entity and equal component of the Russian Federation. The Irkutsk position is fully shared by the leaders of other Siberian and Far East regions. Meeting before the start of the Fifth Congress of RSFSR People's Deputies, they adopted a joint statement "On immediate measures to escape from the state-law crisis." The Siberians' action group made its point to R. Khasbulatov and the committee on soviets and local self-government and, to all appearances, met with sympathy. A working group was set up to prepare a draft law on the status of krays and oblasts, which, apparently, will be examined by the Supreme Soviet in the very near future.

Krays and oblasts are expecting to obtain the right to adopt their own laws in the new year.

This position is by no means accepted unconditionally by everyone and not only in the former autonomous components. Even at the oblast congress of people's deputies there were opponents who accused the oblast leaders of wanting to turn it into the "State of Irkutsk," which would assume the role of the "center" in relation to the rayons and cities. If that happens, deputies from Angarsk stated, they will try to reassign their city to Federation jurisdiction.

Most of the deputies and politicians supported the course toward achieving free enterprise and free local self-government.

St Petersburg To Introduce Food Rationing

OW2011214891 Moscow INTERFAX in English 2006 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] St. Petersburg's Mayor Anatoliy Sobchak has announced today, Wednesday, his intention to introduce in the city and the region "stringent food rationing at certain shops in the localities" beginning with December 15.

Speaking at the Smolniy building before the heads of district administrations and chairmen of the mayor's office committees A. Sobchak revealed a programme aimed to prevent prices jumping as much in the process of liberalisation as in the rest of Russia. That includes overall rationing and supplies to the workers', children's, and students' canteens at fixed government prices.

The mayor stressed that any additional supplies from other regions or from abroad should be sold at free prices.

Commenting on the shock economic reforms programme by Russia's Government Sobchak admitted that Petersburg's delegation had failed to prevail with its moderate policy of reform providing the citizens with a guaranteed minimum at fixed prices. He told the city leadership that Russia's overall conception is to be followed "with certain reservations for our specific approach."

Belorussia

Republic To Cut Forces by 120,000

OW2011191891 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] It has become known to INTERFAX from circles close to the Belorussian Government that the commandant of the Belorussian Military District is planning reducing the forces deployed in the republic by a third, or 120,000 men.

That is to be announced Thursday [21 November], at the Minsk officers' club holding a meeting of armed forces deputies with local public organisations. The meeting is sponsored by the Fund for the Servicemen's Social Protection and the Belorussian Servicemen's Union.

The agenda may also include a possible formation of Belarus' [Belorussia] own armed forces.

Cooperation Agreement Signed With Kazakhstan

OW2011155391 Moscow INTERFAX in English 1444 GMT 20 Nov 01

[Transmitted via KYODO]

[Text] The Prime Ministers Yevgeniy Tereshchenko of Kazakhstan and Vyacheslav Kebich of Belorussia signed in Minsk Wednesday [20 November] an intergovernmental agreement expected to strengthen horizontal links between the two republics. They told journalists that the Moscow talks indicated no effective assistance should be expected from the West, and that interrepublican cooperation seemed to be more helpful. Hence the need to promote direct contacts between industrial plants and ministries in the republics.

The Minsk agreement creates the most favorable conditions for next year's exchanges of industrial and technical products, consumer goods and food between Kazakhstan and Belorussia. The parties will encourage the establishment of joint ventures, including with partners based in other sovereign republics. As of January 1, Belorussia and Kazakhstan will begin to trade at prices meeting the interests of either republic.

Turkish Firm To Build Military Housing

OW2111012891 Moscow INTERFAX in English 2108 GMT 20 Nov 91

[From 21 November "Soviet Business Report" feature—transmitted via KYODO]

[Text] The Turkish company Enka, which specializes in industrial building, hopes to complete construction of a housing comple near Borisov, Belorussia, by year end. This is one of two housing complexes Enka is building in the USSR. These two projects, designed to house Soviet military troops returning from East Germany, will cost approximately 330 mn [million] DM [Deutsche mark], or 120 mn DM and 210 mn DM respectively.

In mid-August, the Turkish firm signed a contract agreeing to complete construction within 195 days on a turnkey basis with one year's warranty. Altogether 33 housing construction projects have been organized to provide housing to Soviet troops. Last year Germany granted the Soviet Union a 7.6 bn [billion] DM loan to finance these projects.

As the leading Turkish construction company in the Soviet market, Enka builds and reconstructs Soviet hotels and medical centers.

Moldova

Fuel Vanishes on Ukrainian Territory

OW2011160091 Moscow INTERFAX in English 1444 GMT 20 Nov 01

[Transmitted via KYODO]

[Text] Nicolae Cerny, head of Moldova's fuel-procuring association, complains that the republic's fuel difficulties have been aggravated by "piratic practices in the Ukraine." He said as soon as oil tanks bound for Moldova crossed the Ukrainian border, they had been vanishing into nowhere. Five trainfuls of fuel had got lost without a trace, and yet another train sent for benzine from Kishinev to Mozyr had been stopped by the National Railroad Ministry and re-directed to the Caucasus, Mr. Cerny said.

He called for direct contacts with oil producers and for the purchase of two oil-refining plants in Romania.

Drug Business Said 'Particularly Prosperous'

OW2011155791 Moscow INTERFAX in English 1444 GMT 20 Nov 01

[Transmitted via KYODO]

[Text] Igor Shelev, an officer of the Moldovan Interior Force, has told the newspaper SFATUL TSERI that "in 5 years or so Moldova may become the third-biggest drug producer and seller after the Asian and Latin American centers." He said the drug business was particularly prosperous in the republic's west, where an extensive opium-producing network involving several competing trusts purchased poppy from the farmers or grew it independently.

The officer said the Moldovan police was too poorly equipped to take effective anti-drug action. This year has seen the record number (in the past 6 years) of drug-related crimes in Moldova.

Prime Minister on Signing of Economic Treaty

LD2111102191 Moscow TASS International Service in Russian 1118 GMT 20 Nov 91

[By correspondent Fedor Angeli]

[Text] Kishinev, 20 Nov (TASS)—"Our economy has been integrated into the East; therefore, there is simply no alternative to these ties at the moment," thinks Moldovan Prime Minister Valeriu Muravski. Speaking here at a meeting with representives of the republic's student youth, he explained the motives that guided the republican leadership in signing the Economic Community Treaty.

"It is impossible to sever the ties with the republics of the former Union," the Moldovan prime minister stressed. The degree of Moldova's integration with the other republics exceeds the level which exists between countries of the European community." [end quote marks as received]

"Until we are integrated into Europe we must preserve our former links," Valeriu Muravski said. "Economic reform is our main aim, but we must realize that we won't be able resolve all the problems in a short time."

Correction to Republic To Establish Army Item

LD2011130191

The following correction pertains to the item entitled "Republic To Establish 12-14,000-Strong Army" published on page 73 of the 20 November Soviet Union DAILY REPORT:

Title should read: Republic To Establish 12-15,000-Strong Army (changing 14,000 to 15,000);

Column two, only paragrpah, third sentence should read: ...limit at a 12-15,000-strong professional army. (changing 14,000 to 15,000)

Georgia

Cooperation Treaty Signed With Azerbaijan

LD2011154291 Moscow Central Television First Program Network in Russian 1300 GMT 20 Nov 91

[Text] Yet another thread has appeared in the complicated pattern of internal Union treaties. A report from Kiev:

[Unidentified correspondent] The visit to the Ukrainian capital, Kiev, by a government delegation from Azerbaijan was completed with the signing in the Mariiskiy Palace of a treaty on the principles of interstate relations between the Ukraine and the Azerbaijan republic.

The treaty was signed by Ukrainian Supreme Soviet Chairman Kravchuk and Azerbaijani President Mutalibov. The treaty notes that both sides recognize each other as sovereign states and pledge to restrain themselves from actions that might cause harm to the state sovereignty of the other side.

The treaty covers a period of 10 years. All-round cooperation in foreign policy and foreign economic activity is envisaged. Both the sovereign states, the treaty says, will cooperate in the formation and development of a common economic space, in the sphere of environmental protection, and other important national economic and cultural spheres of their activity.

Kravchuk on Central Media 'Misinformation'

LD2111042591 Kiev Radio Kiev in English 0100 GMT 19 Nov 91

[Text] A plenipotentiary representative of the newspaper MOSKOVSKIY NOVOSTI has appealed to the staff of the Ukrainian magazine ZHINKA [Woman] and proposed to give on the pages of the newspaper pictures that show how badly people live in Ukraine, which is striving for independence. Our colleagues refused. It looks like misinformation in the central mass media has reached its heights. Proceeding from this, the chairman of the Supreme Soviet of Ukraine, Leonid Kravchuk, said the following:

I have appealed to the president of the country several times and asked that he express his attitude to the fact that hostilities are being ignited between Ukrainians and Russians. And this is being done by the central mass media. I made this request at the sitting of the State Council. We know what inter-ethnic feuds are and how easily they can be ignited today on the foreground of disorder and lack of government and the state of the economy. We must act wisely and explain the truth. I also appealed to the leaders of Central Television. I asked that they give us at least one hour a week that we could explain the truth in figures and facts. This stereotype can make Ukraine look like the only republic which has complications. I very much fear this and it's a dangerous thing, said Leonid Kravchuk.

Economic Treaty Termed 'Fight for Power'

PM2011150191 Moscow PRAVDA in Russian 19 Nov 91 p 2

[By correspondent M. Odinets: "Confrontation"]

[Text] Kiev—Ukrainian Television ran for the second time a report about Prime Minister V. Fokin's news conference. Ukrainian Radio has given a detailed report on it, and Saturday's [16 November] newspapers published lengthy reports about it.

What drew the attention of the republic's mass media? Confrontation. In its statement, the Rukh [Ukrainian People's Movement for Perestroyka] leadership in the person of its Chairman I. Drach categorically rejected the economic agreement initialed in Moscow, saying that this act "makes the threat of neighboring states' economic expansion a real one."

Commenting on the Rukh statement, V. Fokin said; "If, God forbid, Mr. Drach's political intentions were destined to become economic realities and the Ukraine broke with the members of the Interstate Economic Community, we would already have 1.5 million unemployed today and there would be 3.5 million in mid-December."

The prime minister's arguments were reinforced by the leaders of several of the Ukraine's largest industrial enterprises.

"We urgently need a common economic space," S. Kravchun, general director of Zaporozhye's "AvtoZaZ," stressed.

"What is happening in our parliament over the treaty is no more than a fight for power," V. Avgustimov, general director of the "Mikroprotsessor" Science and Production Association, indicated.

But Rukh also sent its representatives to the news conference. Ukrainian People's Deputy P. Movchan said that the industrialists are conducting antireferendum propaganda, claiming that the Ukraine cannot be independent. While Ukrainian People's Deputy S. Khmara noted that if the treaty is signed, it will mean the Ukraine's downfall, the republic will be pillaged. Once again it was said that the agreement is deadly, a disaster.

When asked what will happen if the Ukrainian Supreme Soviet does not ratify the Economic Community Treaty he initialed in Moscow, Prime Minister V. Fokin said that in that case he would resign.

Crimean Supreme Soviet Nationalizes Property

LD2011201991 Moscow All-Union Radio Mayak Network in Russian 0800 GMT 20 Nov 91

[Text] A resolution by the Crimean Autonomous Soviet Socialist Republic Supreme Soviet has been published that makes provision for enterprises, organizations, and establishments under Union and republican jurisdiction on the territory of the Crimea to be the property of the Crimean ASSR [Autonomous Soviet Socialist Republic] until there is a demarcation of powers on property between the Ukraine and the Crimean Republic. The Council of Ministers of the autonomous republic has been instructed to prepare proposals for delimiting such powers.

Moves To Establish Army Assessed

PM2011145791 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 91 First Edition p 2

[Correspondent Colonel A. Polyakov report: "Is the Union Army in Danger of Splitting Up?"]

[Text] Recently political passions in the Ukraine have had a direct effect on the USSR Armed Forces. Whereas only yesterday the leaders of the republic were still stating that the intention to have their own army was no more than a political decision, today they have embarked on its immediate creation.

Thus the formation of a republic guard based on internal troops subunits has already started. The intention is to establish the national army proper on the basis of the formations belonging to the three military districts in the Ukraine. Citizens of the republic will serve in it. The official language is to be the state language: Ukrainian. There is also discussion of its ideology. For example, according to Ukrainian People's Deputy N. Porovskiy, this will be the ideology of the Sich cossacks and the Ukrainian insurgent army. This, of course, is still an unofficial opinion. But it could also become the official one. This has already happened on several occasions.

Implementation of the new concept will require a transitional period during which the districts will be cut back. So the reasonable question arises: Will this transformation of one army into another—a national one—take place smoothly, or might the Union Army in the Ukraine, primarily the officer corps, split into opposing or even hostile camps? This question is by no means farfetched. The Army still remains a single integral entity. I think that work to establish a national army in the Ukraine, and especially the political fuss about this, will lead to a split in the Army. There are enough examples of this.

Some time ago the Ukrainian Supreme Soviet decided to regard NARODNAYA ARMIYA [People's Army] (formerly LENINSKOYE ZNAMYA [Leninist Banner]), the district newspaper of the Kiev Military District, as the Ukrainian Defense Ministry newspaper. Military people know that an order from the minister of defense whose implementation is mandatory for military structures always follows a decision by legislative or government organs. In this case there was no order, but the newspaper began to appear with the imprint of an organ of the republic's Defense Ministry. Naturally, this provoked a sharp reaction from the district command. And what happened then? NARODNAYA ARMIYA carried an article by the newspaper's editor attacking the district command, from whose "imperial ambitions" the Ukrainian Supreme Soviet must protect the newspaper... This is an unprecedented case. And it is clear who has the greater ambitions in this instance. But it remains a fact that in practice the district is left practically without a printed organ.

The fact that the army in the Ukraine is ceasing to be monolithic is also evidenced by the recent emergence of various "committees" at officer level. At the beginning of November the congress of the Ukrainian Officers' Union, led by USSR People's Deputy Colonel V. Martirosyan, was held. Shortly before this the founding conference of the "Independent Association of Officers" took place in Vinnitsa. Homeless officers' committees are springing up in cities and garrisons...

It is typical that by eliminating the army's military-political structures quite recently, the country's leadership wanted to steer the army away from politics and neutralize it. However, this same officers' union is successfully exploiting Rukh [Ukrainian People's Movement for Perestroyka] for its own ends and is calling for overt pressure on state organs. And, while paying lip-service to officers' social protection, it is in fact attempting to speak the language of diktat not only with military district commanders, but even with the USSR and Ukrainian defense ministers, stating, for example, that no officer should receive a higher rank unless he is... a union member. The same Colonel V. Martirosyan recently said from the rostrum of the Ukrainian parliament that there are 15,000 career officers in his union and all of them are armed and ready for action. He says these men are patriots who are ready to serve the Ukraine.

Let the number of his confederates remain a matter for the conscience of the union committee's chairman. But what he said about the availability of weapons cannot fail to arouse concern. Incidentally, in the press Ukrainian Defense Minister Colonel General K. Morozov sharply criticized the speech made by the people's deputy, saying it was irresponsible and deserved to be strongly condemned.

But nonetheless supporters of the "underground" establishment of a Ukrainian army and of actions without legal consideration exist at the highest level. Speaking at the congress of the Ukrainian Officers' Union, L. Lukyanenko, presidential candidate and leader of the Ukrainian Republican Party, suggested that contacts with other republics "to exchange serving officer cadres" should be sought behind the back of the USSR Defense Ministry. It is clear that proposals and recommendations of this kind cause confusion in officers' hearts and a split in their ranks.

Ukrainian Supreme Soviet Chairman L. Kravchuk has stated on several occasions that the Ukrainian army will be developed only in strict compliance with the law, in close contact with the USSR Armed Forces General Staff, and after the necessary agreement with the USSR Defense Ministry has been reached. But this sober approach to the republic's right to possess its own armed forces does not suit those who would like to exploit the process of building a republic army for political ends and primarily, to put it bluntly, to disorganize and demoralize the Union Army in the Ukraine.

So it is no accident that the Ukrainian Officers' Union is demanding that the Supreme Soviet appoint new "commissars"—plenipotentiaries who would control the activity of troops on the republic's territory. And demands like these should not be ignored.

Some officers, of course, may simply smile at these absurd calls, others think about them, and yet others... Others may behave like a certain senior lieutenant from the Turkestan Military District who came to the union's congress illegally, as he put it, and is prepared to desert from the Army if the Ukraine will accept and protect him.

Recently, as I have already said, the "Independent Association of Officers" has begun to operate. Its leaders have stated that V. Martirosyan's union lacks prestige among career officers since he knows nothing about their problems and is more interested in politics than in social protection for officers and members of their families.

Interrepublic Affairs

More on Armenian-Azerbaijani Gas Situation

Armenia Issues Statement

NC2111050691 Yerevan Radio Yerevan Network in Armenian 1730 GMT 20 Nov 91

["Statement issued by the Armenian Republic's plenipotentiary delegation at the talks with Azerbaijan"—date not given]

[Text] Considering negotiations, held in keeping with international law and on the basis of the principle of the implementation of the agreements reached, as the sole method of solving the emerging problems;

Evaluating the Zheleznovodsk communique as a positive step toward the normalization of relations between the Armenian and Azerbaijani republics, and the stabilization of the situation in Nagorno-Karabakh;

Affirming its readiness to exert every effort for the realization of the guidelines envisaged in that communique;

Noting that the first meetings of the plenipotentiary delegations of the Azerbaijani and Armenian republics confirmed the perspicacity of continuing the process of dialogue despite all the difficulties caused by the complexity of the situation;

The Armenian Republic's plenipotentiary delegation is obliged to declare:

The gas pipeline passing through Azerbaijan and supplying Armenia with gas from the Russian Federation was completely shut down on 4 November 1991. On 21 September the gas pipeline feeding the earthquake zone was put out of order. This act clearly goes beyond the limits of a local conflict and can only be regarded as a reflection of the state policy, which aims at pressuring the republic's leadership by destroying Armenia's economy and disrupting its life-support system.

The negotiations cannot continue successfully if, instead of implementing the agreements reached on subjects discussed, new problems are created in an artificial manner.

The Armenian Republic's plenipotentiary delegation regards the blockading of the pipeline providing Armenia with gas an attempt to deprecate the idea of talks, degrade the peace mission of the presidents and observer groups of the Russian Federation and Kazakhstan Republic, and renounce the Zheleznovodsk communique.

Under the current situation, created by the Azerbaijani side, the Armenian Republic's delegation considers it impossible to continue the negotiations and declares that the negotiations will resume without delay only after the reopening and normal functioning of the gas pipeline.

Talks Suspended Until Pipe Opened

OW2111124591 Moscow INTERFAX in English 1050 GMT 21 Nov 91

[Transmitted via KYODO]

[Text] The Armenian delegation authorized to hold talks with Azerbaijan declared today that it finds it impossible to go on with the talks as long as the Azeris block the pipeline carrying natural gas to Armenia.

The delegation qualified the blocking of the pipeline in the Kazakh region of Azerbaijan as a total departure from the agreement signed in Zheleznie Vody, as an action torpedoing the very idea of talks and discrediting the peacekeeping mission launched by the presidents of Russia and Kazakhstan and their observers.

In the meantime Armenia's acting Interior Minister Ashot Manucharyan told newsmen in Yerevan on Wednesday [20 November] that, according to unconfirmed reports, an attempt had been made to blast the section of a gas pipeline under construction which runs through Georgia. Armenia hopes to receive up to 5 million cubic meters of gas a day through that pipeline. The new pipeline is to be put into operation in about two weeks. The attempt to blast it was made in the territory of South Ossetia, said A. Manucharyan.

Pipeline Remains Blocked

OW2011135691 Moscow INTERFAX in English 1145 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] As IF's [INTERFAX] reporter has learnt at the press center of the Armenian Government, the pipeline supplying gas to Armenia remains blocked by Azerbaijan in spite of the latter's promise to put it into operation at midnight yesterday.

An agreement to unblock the pipeline was reached during Armenian-Azerbaijani talks in the city of Kazakh, Azerbaijan.

A press center spokesman said another pipeline, running across Georgia, is expected to begin later this week to daily supply up to 5 mln [million] cubic meters of gas to Armenia.

Conditions Not Met

OW2011220091 Moscow INTERFAX in English 2006 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The gas pipeline to Armenia via the Kazakh region of Azerbaijan was not opened last night because the Armenian side had failed to give the local population guarantees of safety, as INTERFAX was told by the press service of the Azerbaijani People's Front with reference to the Azerbaijani delegation at the talks with Armenia on November 19. The question discussed at that meeting was resuming gas flows to Armenia in exchange for safety guarantees to the people of the Kazakh region.

The Azerbaijani Cabinet's press service confirmed to INTERFAX that opening the gas pipeline was directly linked to Armenian guarantees of safety to the population of Azerbaijan's adjacent areas, to a ceasefire in the zone of conflict and withdrawal of Armenian armed units from Azerbaijan.

The agreement on resumed gas supplies beginning with 0000 November 20 was reached at the Armenian-Azerbaijani talks held in Kazakh November 17.

Armenia

Republic To Receive Natural Gas via Georgia

OW2011233991 Moscow INTERFAX in English 2108 GMT 20 Nov 91

[From 21 November "Soviet Business Report" feature—transmitted via KYODO]

[Text] By the end of this week, a gas pipeline extending from Russian to Armenia is expected to open. The pipeline, which passes through Georgian territory, will provide Armenia with 5 mn [million] cubic meters of gas daily. This pipeline branch will help to break Azerbaijan's energy blockade of Armenia.

Azerbaijan easily cut off Armenia's energy supply when it blocked Armenia's only source of gas, a pipeline which passes through Azeri territory.

Minister on NKAO Armed Forces, Pipeline

NC2111050991 Yerevan Radio Yerevan Network in Armenian 1600 GMT 20 Nov 91

[By Manuk Ter-Stepanyan; recorded]

[Text] A news conference held by the acting Interior Minister Ashot Manucharyan at the Armenian Interior Ministry has just ended. In his opening statement he said that the aim of the news conference was to inform the republic's population on the situation in the republic's border zone and Nagorno-Karabakh [NKAO], as well as [words indistinct]. Ashot Manucharyan said:

[Begin recording] The self-defense forces and a state structure are already being set up in the NKAO. The self-defense forces have always operated in the NKAO, but now they are being transformed into an organized force, into a self-defense [word indistinct], into a military structure. In effect, such a structure has been created in the NKAO. A state, a republic, has been proclaimed there, and this state is taking its first steps. Because the situation there is far more complex then the one here, they have given priority to establishing a military structure. The skeleton of this structure has already been formed. There are no differences between the parties and groups there on these issues. They are all solidly united and are acting with clear military discipline. This enables the people of the NKAO to defend themselves under these difficult conditions and even to create the opportunity for their deported compatriots to return to their villages. (?As has already been reported), in this sense there has been certain progress and successes in Gadrutskiy Rayon and previously in Shaumyanovskiy Rayon.

In addition to these developments, a difficult situation has emerged for a number of border villages, in particular in Khramort village in Askeranskiy Rayon. There, the people's life is under threat because of the continuous firing and [words indistinct]. Our villages might face a similar threat if we fail to fully ensure the security of these villages. The self-defense forces in the NKAO are trying to fulfill this duty, and I believe that this problem will be entirely solved. However, the success of their efforts also greatly depends on Armenia, on that possible assistance we have to provide [words indistinct] to the self-defense forces. Therefore, a similar atmosphere must also prevail in our republic. We must not look at what is happening in the NKAO as something happening in a far-off land while we live here in comfort in the belief that all that does not affect us.

We will do everything to calm the situation in the NKAO through political efforts, but we must absolutely be prepared to develop the (?military).

It is not a secret that for the last few months Azerbaijan has been talking about the creation of its own armed forces. It has organized a mobilization. Yet, [words indistinct] many of our young people who have been drafted into the 7th Army stationed in the republic's territory have (?escaped) from their units and are unwilling to serve in the Army. It is highly probable that if Azerbaijan does not stop its mobilization, we will adopt the same course and create a national guard at the least, and probably an army in the future. [end recording]

Regarding the opening of the gas pipeline, acting Minister Manucharyan said that Mutalibov's aide informed him during a telephone conversation that he is doing everything possible to open the pipeline by the end of today.

Self-Defense Forces 'Rallying'

OW2011214991 Moscow INTERFAX in English 2006 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Armenia's acting Interior Minister Ashot Manucharyan has said at a press conference that the self-defence in Nagorno-Karabakh which was only sporadic in the past is rallying now into a fist. In his words, "the self-defence forces of Artsakh are capable not only of an effective protection of their lands, but can enable their forcibly deported countrymen to return to their native villages." Some progress has been made in that line, particularly in the Gadrut district of Nagorno-Karabakh. The situation is extremely tense, though, in the areas bordering on Azerbaijan. A. Manucharyan pledged help from Armenia if needed by the Artsakh self-defence, though he warned against an armed confrontation between the two states.

Firing Positions Dismantled Along Border

LD2111033191 Moscow TASS in English 1857 GMT 20 Nov 91

[By AZERINFORM correspondent Viktor Shulman]

[Text] Baku November 20 TASS—Representatives of the Kazakh region of Azerbaijan and Idzhevansky and Noyemberyansky regions of Armenia today began to dismantle fire positions in the border area between the two republics, under control of Russian and Kazakh observers.

After considering a range of issues on the normalization of the situation in the zone, late at yesterday's night they signed an agreement on ceasefire, provision of the security of residents of border populated localities, and the resumption of gas supply to Armenia.

"The implementation of the document will enable the removal of tension in this border area," noted the Azerbaijani president's adviser, Rasim Musabekov.

"According to the reports from Kazakh, all measures are now taken to do it. Plenipotentiaries from the two republics work in close contact with working groups of Russian and Kazakh observers, local residents and staffers of the law enforcement bodies.

"They hope that, after all the issues are settled, the gas supply to Armenia will soon be restored. The Azerbaijani leadership controls this issue and renders necessary assistance to this process."

As for the non-fulfilment of the agreement on the restoration of gas delivery to Armenia, about which some central mass media has reported, it happened not through the fault of the Azerbaijani side, in the words of the adviser.

Negotiations on settlement of disputable issues between the interested sides began a day later, on November 19, Musabekov stressed.

"The Armenian leadership was informed in detail on their progress and on measures taken to normalize the situation in the border area," the adviser said.

President Comments on U.S., Canada Visit

LD2111041991 Moscow Central Television First Program Network in Russian 1900 GMT 19 Nov 91

[From the "TV Inform" newscast]

[Text] Levon Ter-Petrosyan, the president of Armenia, today held his first news conference in his new office. He literally returned the other day from his trip to the North American countries he visited at the invitation of the U.S. President and Senate.

[Correspondent V. Nazaryan] The main subject of the news conference was the results of this visit and the content of his meetings with President Bush and Prime Minister Mulroney. Journalists were primarily interested in the prospects for recognition of Armenia's independence.

[Begin Ter-Petrosyan recording] The great powers are not prepared in the very near future to recognize our independence among the Union republics. They are not prepared to do so because they are linked with certain international obligations to the Soviet Union. [end recording]

[Nazaryan] Nevertheless, the Armenian president stressed that neither Bush nor the heads of the other great powers had any legal arguments against recognizing Armenia's independence, especially as it is proceeding toward this goal by adhering strictly to the laws of the USSR. In any case, Armenia's relations with the United States and Canada have received a reliable foundation as a result of this visit. In particular, already this winter the United States will be rendering direct food aid, and Canada will be selling 250,000 tonnes of grain. This is international aid, but what about gas: Does the president have any new information?

[Begin Ter-Petrosyan recording] I don't have any fresh information. These accords remain in force. The Azerbaijani side is doing everything to ensure that the gas pipeline will be open, and I hope, I believe, that it will. [end recording]

Supreme Soviet Fails To Name Chairman

OW2011152391 Moscow INTERFAX in English 1444 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The second round of voting on candidacies for chairman of the Armenian Supreme Soviet again failed to name the winner Wednesday [20 November]. Neither of the two remaining candidates—Deputy Chairman of the Supreme Soviet Babken Ararktsyan or ex-Prime Minister Vazgen Manukyan—managed to collect the necessary minimum of 131 votes. Mr. Ararktsyan emerged with 97 votes, and Mr. Manukyan with 67 votes.

After the results were announced, the parliament nominated eight new candidates, among them B. Ararktsyan and V. Manukyan, as well as the leader of the National Self-Determination association Paruir Ayrikyan. Mr. Ararktsyan withdrew his candidacy.

Stepanakert City Soviet Elects New Chairman

NC2011214191 Yerevan Radio Yerevan Network in Armenian 1600 GMT 20 Nov 91

[By correspondent Aleksandr Grigoryan]

[Text] The Stepanakert City Soviet met in session and examined organizational matters. The session relieved Maksim Mirzoyan from his duties as chairman of the city soviet executive committee. The duties of chairman of the Stepanakert City Soviet Executive Committee were temporarily passed to Vladimir Gevorgyan, deputy-chairman of the city soviet executive committee, until new city soviet elections are held.

Azerbaijan

Helicopter Crashes in NKAO; Officials Killed

LD2011195991 Moscow TASS International Service in Russian 1921 GMT 20 Nov 91

[Text] Baku, 20 Nov (AZERINFORM-TASS)—According to preliminary data from the commandant's office of the special region of Nagorno-Karabakh, a helicopter flying in fog crashed into a mountain and exploded. All passengers and crew were killed, the AZERINFORM agency reported.

Aboard were representatives of the Azerbaijani Government, the law enforcement bodies of the republic and Nagorno-Karabakh, two USSR people's deputies, two generals, the Nagorno-Karabakh Autonomous Oblast [NKAO] KGB directorate chief, a deputy minister of the Kazakhstan Internal Affairs Ministry, a representative of Russia's observers group, a correspondent from Azerbaijani television, and a cameraman. Apart from the crew, 17 people died.

An investigative-operational group from the Procuracy and the Internal Affairs Ministry of Azerbaijan is conducting an investigation of the disaster.

Interior Minister Reportedly Killed

OW2011202691 Moscow INTERFAX in English 2006 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] As INTERFAX has been informed from unofficial but reliable sources, the helicopter crashed in Nagorno-Karabakh November 20 carrying Azerbaijan's Interior Minister Mamed Asadov and the commander of the Karabakh Interior Department Major General Kovalyev. By a preliminary report, the two officers and twenty passengers were killed.

Victims of Crash Identified

NC2111124791 Baku Radio Baku Network in Azeri 0300 GMT 21 Nov 91

[Text] AZERINFORM has reported the following: A military helicopter crashed and exploded near Karakent town in the Martuninskiy Rayon in the Nagorno-Karabakh Autonomous Oblast [NKAO] at 1630 on 20 November.

The following were passengers in the helicopter: Ismaylov, a government secretary of the Azerbaijan Republic; Ismet Gaibov, procurator general of the Azerbaijan Republic; Asadov, a government adviser; Gadzhiyev, deputy prime minister; Dzhafarov and Mamedov, USSR people's deputies; Mirzayev, a department chief within the Azerbaijan Republic's presidential office; (Vartunim), procurator of the NKAO; Namaz Aliyev, first deputy minister of Land Reclamation and Water Resources; General [name indistinct] and General Kovalov; Ivanov, chief of the Azerbaijan Ministry of National Security Administration in the NKAO; (Serikov), deputy minister of internal affairs of Kazakhstan; Bukashov, a representative of the Russian observers group; Kocherov, a representative of the USSR Ministry of Defense; Mustafayev, a correspondent of the Azerbaijan television network; and Abbasov, a cameraman for the Azerbaijan television network.

All the passengers and crew were killed.

The cause of the disaster is being investigated. The investigative-operational group of the Azerbaijan Procuracy and Ministry of Internal Affairs is investigating the accident.

Gorbachev Sends Condolences

LD2011225391 Moscow TASS in English 2229 GMT 20 Nov 91

[Text] Moscow November 21 TASS—"I express sincere condolences to the near and dear ones of the dead in the helicopter crash in Azerbaijan," says a cable by Soviet President Mikhail Gorbachev in connection with the accident on Wednesday [20 November] in the area of the Karakend settlement in the Martuninsky region of Nagorno-Karabakh.

The helicopter carried representatives of Azerbaijan, Kazakhstan and Russia. According to preliminary information, it crashed into a mountain in fog and caught fire.

All in all, there were 20 people on board the helicopter, including the crew.

Yeltsin Sends Condolences

LD2011225191 Moscow All-Union Radio First Program Radio-1 Network in Russian 2000 GMT 20 Nov 91

[Text] Boris Yeltsin, president of the Russian Federation, has sent telegrams of condolences to Ayaz Mutalibov, president of Azerbaijan, and Nursultan Nazarbayev, president of Kazakhstan, which say: I am deeply shocked by the tragedy that happened today in the region of the village of Karakend in the Martuninskiy Rayon in the Nagorno-Karabakh Autonomous Oblast. Boris Yeltsin's telegrams say: The crash of the military aircraft and the deaths of the representatives from Azerbaijan, Kazakhstan, and Russia will, I am convinced, arouse sorrow in the hearts of the citizens of our republics. Please transmit my sincere condolences to the families and relatives of the deceased.

Further Reportage on Violence in NKAO

Armenians Occupy Village

NC2111050891 Yerevan ARMENPRES International Service in Armenian 1215 GMT 20 Nov 91

[Text] Yerevan, 20 Nov (ARMENPRES)—YERKIR newspaper reports on the combat operation launched against OMON [special purpose militia] detachments deployed in the Azerbaijani-inhabited Khodzhavend district of Martuni. On 18 November the Armenian freedom fighters began kicking them out of the village. The freedom fighters brought Khodzhavend under their control by 1700. The OMON's positions were destroyed and dozens of Azerbaijanis were killed. There were no losses on the Armenian side.

Those deported from Sarishen are getting ready to return to their native village. Defensive structures have already been erected around the village to prevent possible Azerbaijani attack.

[Yerevan Radio Yerevan Network in Armenian at 1600 GMT on 20 November 1991 reports : "Martuni town, which is surrounded by Azerbaijani settlements, has been coming under daily fire from various types of weapons, including "Alazan" missiles, for the last two years. Khodzhavend village played the major role in (?these attacks) where the OMON were deployed. In order to ensure the security of Martuni's population, the self-defense forces were forced to enter into combat with the Azerbaijani subunits stationed in Khodzhavend. According to reports, the population of Khodzhavend, having resented the presence of armed OMON detachments whose operations were also seriously endangering their lives, have evacuated the village.

["However, the firing on Martuni has not ceased. Today the shots are coming from the direction of the Azerbaijani village of Aminar. Reports indicate that on 18 November a convoy of 18 vehicles entered the village. Missile launchers were seen on four of the vehicles. The military commandant's office has been informed."]

Villages 'Recaptured'

OW2011191291 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Reports are coming from Nagorno-Karabakh that Armenian forces have lately recaptured from Azerbaijanis many Armenian villages from which the Armenian population had been turned out. In the Gadrut district, for instance, more than a dozen such villages were settled with Azerbaijanis after deporting Armenians. Now the Azerbaijanis have left them.

Another village left by Azerbaijanis is Hojavend in the Martuni District.

It has been reported from Stepanakert that in the Geranboy (former Shaumyan) District of Azerbaijan the Armenian forces have re-occupied all the villages formerly seized by Azerbaijanis.

A leader of the Azerbaijani People's Front—deputy of the republic's parliament Etibar Mamedov—has accused his government that it had deliberately forsaken the Azerbaijani population of Nagorno-Karabakh.

Speaking November 19 on the republic's television E. Mamedov said their people thought that without Moscow Baku cannot protect its territorial integrity.

Republic Eager for Ties With Turkey

TA2011172291 Ankara ANATOLIA in English 1435 GMT 20 Nov 91

[Text] Baku (A.A [ANATOLIA])—Azerbaijan Premier Gasan Gasanov has said his country's relations with Turkey are "very special" and that he places great importance on bilateral ties between the two neighbors.

Gasanov told AA that Azerbaijan wanted to cooperate in every field with Turkey, particularly broader links with Turkish businessmen to expand the existing volume of work worth 250 million dollars.

He added that Azerbaijan wanted cooperation with large Turkish companies to "build an economic bridge between the two countries."

"We have established land and air links with Turkey and aim at providing rail and sea transport," he said.

He added that Azerbaijan wants to adopt the Latin alphabet to boost cultural unity with Turkey and is buying printing machines from Turkey for this purpose.

Gasanov also said that Azerbaijan wants to adopt a free market economy and introduce privatization of land and new trade and finance legislation.

Agreements Signed With Turkish Businessmen

NC2011162191 Baku Radio Baku Network in Azeri 1800 GMT 18 Nov 91

[Text] Prime Minister Gasan Gasanov has received leading members of the Turkey-Azerbaijan business committee headed by Irfan Balin in the Azerbaijan Council of Ministers guest hall. They had earlier agreed to establish the Turkey-Azerbaijan and Azerbaijan-Turkey business committees.

Later, the Turkish Union of Chambers and Commodity Exchanges and the Azerbaijan-Turkey Business Council signed an agreement establishing the Azerbaijan-Turkey Business Council, as well as a protocol on principles of work carried out by the two sides. The documents were signed for Azerbaijan by Aydin Mamedov, chairman of the Azerbaijan-Turkey business committee, and Turkey by Irfan Balin. Altan Karamanoglu, Turkey's consul general in Baku, attended the document-signing ceremony.

Asked by an AZERINFORM correspondent about the signing, Gasanov said: The two new committees will give momentum to further developing Azerbaijan-Turkey relations, contributing to the mutually beneficial economic policy. They will also help draw the two economies closer for their peoples' prosperity.

Georgia

Republic To Make Inventory of Army Units

OW2011152691 Moscow INTERFAX in English 1444 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] According to IF's [INTERFAX] sources, the Supreme Soviet Presidium in Georgia has ruled to set up a commission to make an inventory of the weapons, ammunition, means of communication, hardware and other property of the Soviet Army units stationed in Georgia.

The commission was empowered to stop the shipping of any Army property out of the republic.

Army Unit Raided for Guns 16 Nov

PM2011150391 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 91 First Edition p 1

[Major A. Ivanov report under the general heading "Gunfire and Pillage": "Attack on Battalion"]

[Text] On 16 November the newspaper told of an armed attack on troops at an air defense subdivision stationed in Azerbaijan. Here is another alarming report—this time from Georgia.

At 4:50 [A.M. or P.M. not specified] 17 November, more than 20 men in assault-force uniform and brandishing submachine guns penetrated the premises of a radio-technical battalion on the outskirts of Batumi. After tying up Warrant Officer Turmanedze and Private Prokhorov, who were on guard at the battalion station, these unidentified persons burst into the barracks. Threatening the personnel with weapons, they stole 104 submachine guns and 45 pistols. They fled into the forest, taking unit Warrant Officer S. Beridze hostage. A search-party that pursued the criminals recovered the submachine guns and pistols.

Since the beginning of the year, 253 separate firearms have been stolen from air defense subunits and units in the Transcaucasus.

KGB Abolished; Security Department Formed

LD2011203591 Moscow TASS International Service in Russian 1236 GMT 19 Nov 91

[Text] Tbilisi, 19 Nov (TASS)—Georgian President Zviad Gamsakhurdia has signed a decree abolishing the republic's KGB and setting up a National Security Department based on it. The new structure will be directly subordinate to the head of the republic. The Georgian parliament has also prepared a law on the National Security Department. When the law is adopted, the specific functions of the new directorate will be defined. But for the time being all those wishing to work in the department must write out a job application.

President's 'War' Against 'Empire' Explained

LD2011150691 Moscow TASS International Service in Russian 1330 GMT 20 Nov 91

[By correspondent Albert Kochetkov]

[Text] Tbilisi, 20 Nov (TASS)—"The statement by Zviad Gamsakhurdia at a Tbilisi rally on the possibility of creating a united front of peoples of the Caucasus and declaring war on the empire should be seen as an expression of Georgia's solidarity with the democratic processes in this region." That was what Georgiy Burdzhanadze, Gamsakhurdia's press secretary, had to say about the president's address today.

In a conversation with a TASS correspondent, he explained that by "empire" the president meant those forces either covertly or openly using totalitarian policies against small peoples. "The words of the president amount to nothing more than a metaphor," said Georgiy Burdzhanadze, "and it would be wrong to take them literally."

President Orders Closure of News Agency

LD2111104891 Berlin ADN in German 1015 GMT 21 Nov 91

[Text] Moscow (ADN)—Georgian President Zviad Gamsakhurdia has ordered the closure of the state news agency SAKINFORM in Tbilisi, and all employees have been dismissed with immediate effect. At the same time he announced the opening of a new agency "which will not spread disinformation to Georgia's public and the whole world and will not play into the hands of the opposition." SAKINFORM was the successor to GRUSINFORM, a subsidiary of the official Soviet news agency TASS in Georgia.

Cabinet Liquidates Agency

LD2111115191 Moscow TASS in English 1115 GMT 21 Nov 91

[Text] Moscow November 21 TASS—The Georgian Cabinet of Ministers has liquidated the republican national news agency SAKARTVELO-SAKINFORM, says a report from Georgia with reference to the newspaper SVOBODNAYA GRUZIA. The government believes that old structures remained in the news agency, which "hampered the consistent efforts, aimed at putting into effect the policy of the republic's present leadership."

Georgian President Zviad Gamsakhurdia spoke at a press conference in Tbilisi on this occasion. He announced that "a modern news agency will be created, which will be able to wage the struggle against the information blockade, imposed by the forces hostile to Georgia."

Existence of Political Prisoners Denied

AU2011172291 Tbilisi Radio Tbilisi Network in Georgian 0505 GMT 20 Nov 91

[Letter from Vakhtang Razmadze, Georgian procurator general, to Len Karpinskiy, editor-in-chief of the weekly MOSCOW NEWS; place and date not given]

[Text] In edition No. 45 of your weekly MOSCOW NEWS dated November 10-17 1991, under the rubric "Snippets," it is mentioned that there are at least 70 political prisoners in Georgia's prisons. In connection with this, it uses as ostensible proof a statement delivered at a meeting organized by the Georgian National Democratic Party on Political Prisoners' Day.

Respected editor in chief! The obviously biased attitude of the influential paper toward Georgia, which has declared its national independence and is struggling to restore its lost statehood, has been clear to us for a long time. We have already become accustomed to the groundless and unfounded accusatory information in connection with interethnic relations that is being published more frequently in your newspaper. However, we grant ourselves the right to inform you that when it is matter of concrete facts, it is desirable that they first be verified and then published. Otherwise, why does the editorial office need to christen ordinary criminals political prisoners? Such a position does a disservice to justice and the truth and only sows enmity and distrust.

As an official who has been invested with the appropriate powers and an expert in these matters, I categorically protest against the aforementioned assertion and state with full responsibility that there are no persons who have or who are under investigation been convicted for political crimes either in the republic's special prisons or labor-corrective institutions. You can be very easily assured of this if you come to the republic and we can check the facts together. However, this evidently does not suit the editorial office that is making every effort to create a distorted picture of the current situation in Georgia for its millions of readers.

If the principle of pluralism is not alien to the editorial office, we express the hope that MOSCOW NEWS will publish this protest in its next edition.

[Signed] Vakhtang Razmadze, Republic of Georgia procurator general, legal advisor class two

Caucasian Mountain Peoples' Confederation Held

PM1911152191 Moscow ROSSIYSKAYA GAZETA in Russian 15 Nov 91 First Edition p 2

[Correspondent Aleksandr Aleshkin report under the "Postscript to Events" rubric: "Fourteen Stars on a Green Background: The Flag of a New State—The Confederation of Caucasian Mountain Peoples"]

[Text] Sukhumi-Vladikavkaz—I can see the reader's bewilderment: "What confederation? There is no such state on our map!" Yes, there is. It was born on 10 November. The ceremony took place at the Palace of Culture in the small Abkhaz settlement of Lykhniy, Gudautskiy Rayon. One symbolic detail: The Palace of Culture stands on the edge of a clearing where, in the middle of last century after the end of the Caucasian War, the Russian troops held a victory parade.

At midday, delegations from the 14 peoples inhabiting the four former autonomous republics—Dagestan, Checheno-Ingushetia, North Ossetia, Kabardino-Balkaria, as well as Abkhazia—under floodlights and to accompaniment of the whirring, buzzing, and clicking of video, movie, and still cameras—signed the Treaty on Creating the Confederation of Caucasian Mountain Peoples.

An extraordinary fervor reigned in the hall. Filled to capacity, the hall repeatedly rose in unison to give noisy standing ovations. There were prolonged chants of "Li-ber-ty! Li-ber-ty! Li-ber-ty!" at the conclusion of the ceremony. Only once was there an awkward pause, when Confederation President Musa Shanibov opened a news conference and offered to journalists (of whom there were quite a few, including from Moscow, the Baltic states, Georgia, and Armenia) to put questions to Presidential Council members seated on the stage and to parliament members occupying places of honor in the front row of the hall. No questions were forthcoming. Not one. The news conference had to be cancelled, to the obvious annoyance of the aggrieved Shanibov.

So why did the reporters remain silent? On the one hand, clearly because in the course of the three preceding days they had received an abundance of all the necessary information at the Third Caucasian Mountain Peoples Congress, which took place in Sukhumi. This congress was emotionally addressed by the future president and representatives of all 14 delegations. Their speeches explained with absolute clarity why the confederation is being created and outlined its aims, tasks, structure, and status.

The ground for raising this issue was provided by the common aspects of the Caucasian peoples' historical destinies and their way of life. Without fear of racial prejudice, it can be boldly said: There exists on Earth, thank God, a particular type of person—the Caucasian: Hospitable, emotional, with a superior sense of honor and his own dignity, proud, and freedom-loving. It is the natural and noble wish of all people calling themselves Caucasian to create their own statehood. Especially as the issue actually concerns not its creation, but its re-creation. After all, it is well known that a mountain republic was created already at the beginning of the century and in fact existed for some time.

So far, the confederation's founder members are 14 peoples (their number corresponds to the number of stars on the flag's green background) but they could eventually be joined by others: There are several dozen peoples in the Caucasus. The congress formed the new state's main power structures—legislative, executive, and judicial. A parliament was elected. It comprises 42 members, three from each people. The parliament's chairman is Yusup Soslanbekov, a close aide of the Chechen Republic's first president. The Presidential Council is made up of the president and 14 vice presidents. Supreme judicial power in the confederation will be exercised by the Court of Arbitration [treteyskiy sud]. It is headed by an Abkhaz, Zurab Achba. Eight committees were set up, including a Committee for Defense. It is also headed by Yusup Soslanbekov. This tall, handsome young man in a papakha [Caucasian fur cap] became the real hero of the congress. This is because he was an active participant in the revolution in Grozniy, and during the August days he headed the Chechen people defending the White House.

Everything seems to be clear. So what questions remained to be asked of the president and his team? There were and are some questions—quite a few, in fact—but they would have created a sharp and undesirable discord in the atmosphere of universal enthusiasm and inspiration. One felt somewhat reluctant at that triumphant moment to bring harsh realities back to the minds of people who almost every minute unanimously rose from their seats for standing ovations, chanting this sweet word: "Liberty!.."

The first and most important question: What will happen to the previously elected legislative, executive, and judicial structures of power on the territories of Dagestan, Checheno-Ingushetia, North Ossetia, Kabardino-Balkaria, and Abkhazia? After all, the people elected them on a legitimate basis. So what now—are they to be disbanded? Or are some kind of relations to be built with them? And if so, what kind? Are they to be subordinated to the confederation president? But will they agree to this? And how, in general, are the people of this huge region which stretches from coast to coast reacting to the confederation idea? And, most importantly, not just to the idea of a confederation, but to secession from Russia?

I do not doubt that quite a few people will say: "Yes, the vast majority of the indigenous Caucasian population supports secession from Russia." I may even believe this. But it is better—far and away better—to determine public opinion through a referendum. The following, too, is by no means an idle question: How do Russians and the Russian-speaking population in the region view the idea of secession? Nobody has studied this problem in any great depth. I think that there is little ground for optimism here. Take this timely example. Chechnya proclaimed its independence from Russia. At every suitable opportunity, Dzhokhar Dudayev stresses tirelessly that no discriminatory measures will be used against Russians and the Russian-speaking population. The promise is strictly kept. Moreover, Russian was even proclaimed to be the republic's second state language. Nevertheless, despite loyal and friendly relations on the whole, a Congress of the Russian-Speaking Population has been scheduled for 12 November in Grozniy. This is because people everywhere are frightened of everybody, and they neither believe nor trust anybody. Who would swear that the decisions of the Third Mountain Peoples Congress will not alarm people?

The congress was addressed by Mahomed Bayramukov, general director of "Progress" State-Cooperative Association. He also holds the position of president of the Association of Caucasian Peoples. This businessman—in whose hands lie tremendous opportunities (he "turns over" hundreds of millions)—approved the idea of a confederation and offered to pool efforts in the interests of the region's economic, social, and cultural development. But as part of Russia. However, Shanibov and the hall, reacting sharply and uncompromisingly to the idea of a united and indivisible Russia, were unwilling to heed this sober voice and "sent off" the speaker from the platform. What a shame!

Indeed, mutual relations between the Caucasus and Russia were one of the main motivations for the congress. The speakers spoke angrily about tsarism's colonial policy and the Caucasian War, which claimed the lives of thousands and millions even and brought the destiny of some peoples to the brink of disappearance. Their anger is justified. Grievances against the totalitarian Bolshevik system—which, under the guise of internationalism, "reduced" all peoples to the same level and as a result brought the country to the current and almost insoluble interethnic conflicts—are also justified. But the belief, repeatedly expressed from the platform, that today's democratic Russia is one and the same "Empire of Evil" gives rise to perplexity and protest. There can be no faith in a Russia which "trod on" and continues to "tread on" smaller peoples...

Tatarstan representative Garipov, for example, earned for himself tumultuous applause with a statement on the threat of "Russian fascism" and "the revival of a modern Russian empire." He called the draft RSFSR [Russian Soviet Federated Socialist Republic] Consitution "satanic": In the speaker's opinion, its adoption "will result in the deaths of millions of people."

Eminent figure Sazhi Umalatova also resolutely supported the idea that the confederation should secede from Russia. Not so long ago, she desperately and boldly criticized Gorbachev for the "collapse" of the USSR. Now Sazhi holds no more respect for Khasbulatov, because he favors the idea of a "united and indivisible Russia." "I find it painful to say that Khasbulatov is my fellow countryman," she said.

But can the Caucasian Confederation by itself automatically resolve all the problems—economic and national? No way. One of the delegates proposed that Islam be declared the state religion. But what about the Ossetian Christians? And all the others? Will they, once again, be forced to bear the cross of martyrs? Thank God (Allah or Christ?) that the idea was rejected from the start. When the power structures were being formed, the following question arose: What nationality will the president be? Should it be based on the Yugoslav model of rotating, with each nation going in alphabetical order? But which alphabet should be accepted: Russian, Latin? There are 100 nationalities in the Caucasus. This means that some peoples will only be able to delegate their president at the end of the 21st century. They unanimously agreed on the Kabardin who is the "father" of the assembly. I happened to overhear the following remarks in the congress lobbies: Dagestan, with its millions-strong multinational population, and the Shapsug people have each delegated one vice president to the Presidential Council. How come?

Of course, I am speaking without malice, and God forbid that I should wish to insult the Shapsug who, like any other people, have the right to struggle for their rights. May God grant them success along the way. I simply state a fact: Separating the confederation from Russia will not automatically relieve the Caucasian peoples from their complex domestic problems. It would be unrealistic to think otherwise.

Despite the contradictory nature of many of the documents adopted by the congress, which unjustly accuse the new democratic Russian leadership of old "imperial ambitions," I would like to believe that on the whole the forum will play a positive role in consolidating the Caucasian peoples. And that it will define a common policy for its development and for democratic transformations in the region, not separately from but in conjunction with Russia.

The 14 stars on the green background must become the symbol of a peaceful and more dignified life for all peoples in the Caucasus.

Kazakhstan

Nazarbayev Denies Checheno-Ingushetia Statement

OW2011155191 Moscow INTERFAX in English 1444 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] Nursultan Nazarbayev's press service has denied as untrue the media reports about the Kazakh president's alleged talks with members of the Chechen-Ingush administration. It said Presidents Dudayev and Nazarbayev had indeed planned to exchange views over the telephone, but had failed to come in contact.

The press service said Mr. Nazarbayev had not made any statements concerning the situation in Checheno-Ingushetia. It said his attitude to inter-ethnic conflicts remained unchanged, boiling down to the realization that such conflicts "should only be dealt with by exclusively political or parliamentary methods and without damaging the dignity or range of powers of the sovereign republics. The latter practices can only aggravate the situation."

Commodities, Stock Exchange To Open Trading

OW2011234991 Moscow INTERFAX in English 2108 GMT 20 Nov 91

[From 21 November "Soviet Business Report" feature—transmitted via KYODO]

[Text] On November 21, the Guryev Commodoties and Stock Exchange (GCSE) "Tengiz" will open trading. On the first day of trading, the volume of goods offered at the exchange is expected to total 30 mn [million] rubles. Oil and oil products will dominate trading.

Experts estimate that GCSE Tengiz has good chances for success, since it is located in a region of western Kazakhstan which drills 36 mn tons annually. The region is home to the gigantic Tengiz and Korloev oil deposits and the Karachaganak condensed gas deposit.

GCSE Tengiz was established as a joint-stock company with a founding capital of 15 mn rubles. A share's face value is 100,000 rubles, and brokerage seats cost 50,000 rubles. After trading opens, brokerage seats will be sold at an auction. The echange's founders include: Karagandin Inter-regional Commodities Echange which is Kazakhstan's largest echange structure; the production associations Tengiz Oil-Gas and Yembamoil; the Soviet-German JV Stetlan; and the Soviet-American JV Munai.

Presently oil and oil products are traded at three Moscow exchanges and five western Siberia exchanges.

Kyrgyzstan

Licenses To Be Issued for Alcohol Manufacture

OW2011225991 Moscow INTERFAX in English 1745 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The Kyrgyz Council of Ministers has passed a resolution allowing cooperatives, leased enterprises and private individuals to manufacture and sell alcoholic beverages. Licenses will be issued by local councils. A license will cost 2,000 rubles for legal entities and 1,000 rubles for individuals.

Tajikistan

Arab Shayks Grant Credit To Buy Grain Abroad

LD2011190191 Moscow All-Union Radio Mayak Network in Russian 0700 GMT 20 Nov 91

[Text] Arab shaykhs have granted a credit to the Republic of Tajikistan to purchase 1 million tonnes of grain abroad. Canada is the guarantor of the deal. This has been reported by Abdullodzanov, minister of breadgrain products of Tajikistan. The first consignment of the foreign grain is to be imported to Tajikistan in the near future. This has been reported by the RABOCHAYA TRIBUNA newspaper, citing the assurances of the Tajik minister of breadgrain products. Let me remind you that there has been no increase in bread prices in the republic.

Uzbekistan

Supreme Soviet Session Opens 18 Nov

PM2011165591 Moscow IZVESTIYA in Russian 19 Nov 91 Union Edition p 2

["Direct Line" report by Andrey Orlov: "Change of Flag for a Start"]

[Text] An Uzbekistan Supreme Soviet session opened in Tashkent on 18 November.

There are around 30 items on the agenda, including draft laws on the election of the Uzbekistan president, the holding of a referendum on the republic's state independence, destatization and privatization, and employment in Uzbekistan.

First, the people's deputies approved the law on the republic's state flag and this session will be the first to be held under the new flag.

By a majority of votes, the deputies approved the Treaty on an Economic Community and the draft Treaty on the Union of Sovereign States.

The republic will see tighter control of the sale of goods in return for certificates [po talonam], and it is proposed to introduce a coupon [kuponnyy] system on 15 December. A decree by Uzbekistan President I. Karimov on increasing the pay of many categories of working people, which will require seven billion rubles, is being prepared for publication.

At a meeting between President I. Karimov and a group of people's deputies a few days before the session, there was a discussion on urgent measures on the interchangeability of the ruble and hard currency and on the issuing of their own money. But this is a long and complex process.

'Communist' Place Names To Change

OW2011181691 Moscow INTERFAX in English 1444 GMT 20 Nov 91

[Transmitted via KYODO]

[Text] The Uzbekistani Supreme Soviet has decided that the names of Lenin, Marx and Engels, as well as those bearing other "Communist" connotations should be replaced in the names of cities, districts and collective and state farms with other geographical names "understandable to the Uzbek people."

Karimov Nominated as Presidential Candidate

LD2011234391 Moscow TASS International Service in Russian 1831 GMT 19 Nov 91

[Text] Tashkent, 19 Nov (UZTAG-TASS)—Islam Karimov, the current president of Uzbekistan, was today nominated as a candidate for the job of president of the republic at a plenum of the Central Council of the People's Democratic Party of Uzbekistan. Karimov is the party's chairman. He was elected to the post by the Supreme Soviet of Uzbekistan in March 1990. The plenum proposed that all parties, socio-political movements, and public organizations work out coordinated measures to safeguard civic accord during the period of preparing for and holding the general election for the post of president of the republic. The parliament has decided that the election will take place on 29 December.

Birlik Movement To Nominate Candidate

OW2011181591 Moscow INTERFAX in English 1444 GMT 20 Nov 01

[Transmitted via KYODO]

[Text] The Birlik party that has emerged on the basis of a public movement of the same name, intends to take part in the presidential elections scheduled in Uzbekistan for December 29. The party's Presidium decided in Tashkent Tuesday [19 November] to nominate Dr Abdurahim Pulatov, one of Birlik's co-leaders, for the republic's president.

Since the Justice Ministry of Uzbekistan has forbidden Birlik to nominate its candidates for the presidential post, Mr. Pulatov will be nominated as a candidate of either labor staffs, or else of his residential community.